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INTERSTATE COMMERCE COMMISSION
EQUIPMENT TRUST AGREEMENT

Dated as of June 19, 1975

Between

MARYLAND NATIONAL BANK,

Trustor

and

AMERICAN FLETCHER NATIONAL BANK AND TRUST COMPANY,

Trustee

INDIANA & MICHIGAN ELECTRIC COMPANY

127 One Hundred-Ton Steel Triple

Hopper Coal Cars

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EQUIPMENT TRUST AGREEMENT

TRUST AGREEMENT dated as of June 19, 1975,
between MARYLAND NATIONAL BANK, a national banking association ("Trustor") and AMERICAN FLETCHER NATIONAL BANK AND TRUST COMPANY, a national banking association ("Trustee").

ARTICLE I

Definitions

SECTION 1.01. For all purposes of this Trust Agreement the following terms shall have the following meanings:

(a) Certificates shall mean the Equipment Trust Certificates and the Interim Certificates.

(b) Equipment Trust Certificate shall mean the Equipment Trust Certificates substantially in the form therefor set forth in Section 3.01(b), issued by the Trustee to the Loan Participant pursuant to Article IV, and shall include any certificate issued in exchange therefor or replacement thereof pursuant to Sections 3.07 or 3.08.

(c) Finance Agreement shall mean the Finance Agreement to be entered into by and between the Trustee and the Participants in substantially the form of Exhibit III attached hereto, as the same may from time to time be supplemented or amended or the terms thereof waived or modified to the extent permitted by, and in accordance with, the terms thereof.

(d) First Closing Date shall mean the date specified in the notice given by the Lessee pursuant to Section 6 of the Lease.

(e) Holder shall be any person in whose name a Certificate is registered in the register maintained pursuant to Section 3.07(a) hereof.

(f) Interim Equipment Trust Certificate shall mean the Interim Equipment Trust Certificates substantially in the form therefor set forth in Section 3.01(a), issued by the Trustee to the Interim Participant pursuant to Article IV, and shall include any certificate issued in exchange therefor or in replacement thereof pursuant to Sections 3.07 or 3.08; sometimes hereinafter referred to as the "Interim Certificate" or "Interim Certificates".

(g) Interim Participant shall mean and include Maryland National Leasing Corporation and its successors and assigns.

(h) Interim Participant's Commitment shall mean, with respect to each Item of Equipment, an amount equal to sixty-five (65) percent of the Purchase Price of such Item of Equipment.

(i) Lease shall mean the Lease of Railroad Equipment to be dated as of the date hereof and to be entered into by the Trustee and Lessee in substantially the form of Exhibit II attached hereto, as said Lease may from time to time be supplemented or amended, or the terms thereof waived or modified, to the extent permitted by, and in accordance with, the terms of this Trust Agreement.

(j) Loan Participant shall mean and include Pacific Mutual Life Insurance Company and its successors and assigns.

(k) Loan Participant's Commitment shall mean the aggregate amount of the Interim Participant's Commitment with respect to each Item of Equipment received by the Trustee from the Interim Participant, but in no event in excess of Two Million Four Hundred Thousand Dollars (\$2,400,000.00).

(l) Majority in Interest of Participants as of a particular date of determination shall mean (i) the holders of more than fifty (50) percent in aggregate unpaid principal amount of all Certificates, if any, outstanding as of such date or, if no Certificates have been issued but the Finance Agreement has then been executed by the Loan Participant, the Loan Participant and (ii) the Trustor, provided, however, that during any period during which an Event of Default shall have occurred and be continuing after the issuance of any Certificate, or during any period commencing three (3) days after any payment of principal of or interest on any Certificate shall not have been paid when due for any reason and continuing thereafter until payment in full of any principal of and interest on any Certificates which shall be overdue, Majority in Interest of Participants shall mean the holders of more than fifty (50) percent in aggregate unpaid principal amount of all Certificates outstanding as of the date of determination.

(m) Participants shall include the Interim Participant, the Loan Participant and the Trustor.

(n) Payment Date shall mean (i) if no Certificates have then been issued, the fifteenth (15th) day of the month in which any installment of rent under Section 2 of the Lease is

due, or (ii) if Certificates have then been issued, any date specified for the payment of quarterly installments of interest or level payments on the Certificates.

(o) Second Closing Date shall mean the date specified in the notice given by the Trustor pursuant to Section 2(a) of the Finance Agreement.

(p) Third Closing Date shall mean July 15, 1976.

(q) Trust Estate shall mean all estate, right, title and interest of the Trustee in and to the Equipment, the Lease, the Purchase Order and the Assignment, including, but without limitation, (i) all amounts of rent, insurance proceeds and requisition, indemnity or other payments of any kind for or with respect to any Item of Equipment and (ii) any and all payments or proceeds received by the Trustee after the termination of the Lease with respect to any Item of Equipment as the result of the sale, lease or other disposition thereof.

(r) Trustor's Commitment shall mean, with respect to each Item of Equipment, an amount equal to the Purchase Price of such Item of Equipment.

SECTION 1.02. For all purposes of this Trust Agreement the following terms shall have the meanings defined in the Lease: Assignment, Builder, Casualty Occurrence, Certificate of Cost, Certificate of Delivery, Default, Delivery Date, Equipment, Event of Default, Item of Equipment, Lessee, Purchase Order, Purchase Price, Stipulated Loss Value, and Termination Value.

ARTICLE II

Authority to Execute; Declaration of Trust

SECTION 2.01. The Trustor hereby authorizes and directs the Trustee (a) to execute and deliver the Finance Agreement, the Assignment and the Lease, (b) to exercise the rights and perform the duties of the assignee under the Assignment and of the lessor under the Lease as set forth in this Trust Agreement, and (c) to authorize a representative of the Trustee (who shall be one or more agents or employees of Lessee identified to the Trustee by Lessee) to accept delivery of each Item of Equipment on the applicable Delivery Date, upon receipt of each Certificate of Delivery executed pursuant to Section 6 of the Lease.

SECTION 2.02. The Trustee hereby declares that it will hold the Trust Estate upon the trusts hereinafter set forth, subject to, and in accordance with, the terms of Article V hereof, first, for the ratable use and benefit

of the holders of the Certificates and, second, for the ratable use and benefit of the Trustor, all as more particularly set forth in said Article V. By its execution of this Trust Agreement, the Trustee hereby grants, for the benefit of the holders of the Certificates, a security interest in the Trust Estate to secure the prompt payment of the indebtedness evidenced by the Certificates and the performance and observance by the Trustee of all of the agreements, covenants and provisions herein and in the Certificates contained, subject to the terms and conditions hereof.

ARTICLE III

The Certificates

SECTION 3.01. (a) The Interim Equipment Trust Certificates shall be substantially in the form set forth below:

(FORM OF INTERIM EQUIPMENT TRUST CERTIFICATE)

AMERICAN FLETCHER NATIONAL BANK AND TRUST COMPANY

Trustee Under Trust Agreement

Dated as of _____, 1975

(INDIANA & MICHIGAN ELECTRIC COMPANY)

127 One Hundred-Ton Steel Triple

Hopper Coal Cars

11 1/4% Interim Equipment Trust Certificate

\$ _____, 1975

AMERICAN FLETCHER NATIONAL BANK AND TRUST COMPANY, as trustee ("Trustee") under the Trust Agreement dated as of _____, 1975 ("Trust Agreement"; the defined terms therein not otherwise defined herein being herein used with the same meanings), between MARYLAND NATIONAL BANK ("Trustor") and the Trustee, hereby promises to pay to MARYLAND NATIONAL LEASING CORPORATION, or registered assigns, the principal sum

of \$ _____, together with interest on the amount of said principal sum remaining unpaid from time to time from the date of this Interim Equipment Trust Certificate until maturity at the rate of eleven and one-quarter (11 1/4) percent per annum (computed on the basis of a 360-day year of twelve 30-day months), payable as to interest only on October 15, 1975, January 15, 1976, and April 15, 1976 and thereafter in one payment of principal and interest in an amount sufficient to discharge the accrued interest on, and principal of, this Interim Equipment Trust Certificate on July 15, 1976.

This Interim Equipment Trust Certificate, to the extent permitted by applicable law, shall bear interest at the rate of twelve (12) percent per annum (computed as aforesaid) on any part of the principal or interest hereof not paid on maturity for any period during which the same shall be overdue.

All payments of principal and interest hereunder and under the Trust Agreement shall be made only from the income and proceeds from the Trust Estate and only to the extent that the Trustee shall have sufficient income or proceeds from the Trust Estate to make such payments in accordance with the terms of Article V of the Trust Agreement; and each holder hereof, by its acceptance of this Interim Equipment Trust Certificate, agrees that it will look solely to the income and proceeds from the Trust Estate to the extent available for distribution to the holder hereof as above provided and that neither the Trustor nor the Trustee is or shall be personally liable to the holder hereof for any amounts payable under this Interim Equipment Trust Certificate or the Trust Agreement.

Principal and interest shall be payable at the corporate trust department of the Trustee at 101 Monument Circle, Indianapolis, Indiana 46277, or at the office of any successor Trustee, in lawful money of the United States of America.

Each holder hereof by its acceptance of this Interim Equipment Trust Certificate agrees that each payment received by it hereunder shall be applied first, to the payment of accrued interest on this Interim Equipment Trust Certificate (as well as any interest on overdue principal or interest) to the date of such payment, and second, the balance, if any, remaining thereafter to the payment of the principal amount of this Interim Equipment Trust Certificate.

This Interim Equipment Trust Certificate is one of the Interim Certificates referred to in the Trust Agreement, which, together with the Equipment Trust Certificates referred to in the Trust Agreement, have been or are to be issued by the Trustee pursuant to the terms of the Trust Agreement. The rights of the Trustor under the Trust Agreement, as well as the beneficial interest of the Trustor in and to the Trust Estate, are subject and subordinate to the rights of the holders of the Interim Equipment Trust Certificates to the extent provided in the Trust Agreement. Reference is hereby made to the Trust Agreement for a statement of the rights of the holder of this Interim Equipment Trust Certificate and of the rights of the holders of any other Interim Equipment Trust Certificates, and of the Equipment Trust Certificates, and of the Trustor, as well as for a statement of the terms and conditions of the trusts created by the Trust Agreement, to all of which terms and conditions each holder hereof agrees by its acceptance of this Interim Equipment Trust Certificate.

This Interim Equipment Trust Certificate is not subject to prepayment from the Trust Estate except as provided in Sections 5.02, 5.03 and 5.06 of the Trust Agreement.

IN WITNESS WHEREOF, the Trustee has caused this Interim Equipment Trust Certificate to be duly executed on its behalf by an authorized officer as of the date first above written.

AMERICAN FLETCHER NATIONAL BANK AND
TRUST COMPANY,

Trustee

By: _____

Authorized Officer

(b) The Equipment Trust Certificates shall be substantially in the form set forth below:

(FORM OF EQUIPMENT TRUST CERTIFICATE)

AMERICAN FLETCHER NATIONAL BANK AND TRUST COMPANY

Trustee Under Trust Agreement

Dated as of _____, 1975
(INDIANA & MICHIGAN ELECTRIC COMPANY)

127 One Hundred-Ton Steel Triple
Hopper Coal Cars
11 1/4% Equipment Trust Certificate

\$ _____, 1976

AMERICAN FLETCHER NATIONAL BANK AND TRUST COMPANY, as trustee ("Trustee") under the Trust Agreement dated as of _____, 1975 ("Trust Agreement"; the defined terms therein not otherwise defined herein being herein used with the same meanings); between MARYLAND NATIONAL BANK ("Trustor") and the Trustee, hereby promises to pay to PACIFIC MUTUAL LIFE INSURANCE COMPANY, or registered assigns, the principal sum of \$ _____, together with interest on the amount of said principal sum remaining unpaid from time to time from the date of this Equipment Trust Certificate until payment in full of said principal sum at the rate of eleven and one-quarter (11 1/4)% percent per annum (computed on the basis of a 360-day year of twelve 30-day months), payable in fifty-eight (58) consecutive quarterly level payments of principal and interest of _____% of the principal amount of this Certificate (except that the last such payment shall be in an amount sufficient to discharge the accrued interest on, and unpaid principal of, this Equipment Trust Certificate), commencing October 15, 1976, and on each January 15, April 15, July 15, and October 15, thereafter.

This Equipment Trust Certificate, to the extent permitted by applicable law, shall bear interest at the rate of twelve (12) percent per annum (computed as aforesaid) on any part of the principal or interest hereof not paid when due for any period during which the same shall be overdue.

All payments of principal and interest hereunder and under the Trust Agreement shall be made only from the income and proceeds from the Trust Estate and without recourse against the Trustor or the Trustee in its individual capacity and only to the extent that the Trustee shall have sufficient income or proceeds from the Trust Estate to make such payments in accordance with the terms of Article V of the Trust Agreement; and each holder hereof, by its acceptance of this Equipment

Trust Certificate, agrees that it will look solely to the income and proceeds from the Trust Estate to the extent available for distribution to the holder hereof as above provided and that neither the Trustor nor the Trustee is or shall be personally liable to the holder hereof for any amounts payable under this Equipment Trust Certificate or the Trust Agreement.

Principal and interest shall be payable at the corporate trust office of the Trustee at 101 Monument Circle, Indianapolis, Indiana 46277, or at the office of any successor Trustee, in lawful money of the United States of America.

Each holder hereof by its acceptance of this Equipment Trust Certificate agrees that, except as otherwise provided in Section 3.05 of the Trust Agreement, each level payment and any other payment received by it hereunder shall be applied, first, to the payment of accrued interest on this Equipment Trust Certificate (as well as any interest on overdue principal or interest) to the date of such payment, second, to the payment of the principal amount of this Equipment Trust Certificate then due and third, the balance, if any, remaining thereafter to the payment of the principal amount of this Equipment Trust Certificate remaining unpaid, in the manner set forth in Section 3.05 of the Trust Agreement.

This Equipment Trust Certificate is one of the Equipment Trust Certificates referred to in the Trust Agreement, which have been or are to be issued by the Trustee pursuant to the terms of the Trust Agreement. The rights of the Trustor under the Trust Agreement, as well as the beneficial interest of the Trustor in and to the Trust Estate, are subject and subordinate to the rights of the holders of the Equipment Trust Certificates to the extent provided in the Trust Agreement. Reference is hereby made to the Trust Agreement for a statement of the rights of the holder of this Equipment Trust Certificate and of the rights of the holders of any other Equipment Trust Certificates and of the Trustor, as well as for a statement of the terms and conditions of the trusts created by the Trust Agreement, to all of which terms and conditions each holder hereof agrees by its acceptance of this Equipment Trust Certificate.

This Equipment Trust Certificate is subject to prepayment as provided in Sections 5.02 and 5.03 of the Trust Agreement and, if prepayment is made pursuant to Section 5.02(a) of the Trust Agreement, by reason of any payments from Lessee or other amounts received by the Trustee pursuant to

Section 14 of the Lease upon Lessee's election to terminate the Lease with respect to an Item of Equipment, such prepayment shall be made on the termination date specified in said Section 14 with respect to such Item of Equipment, at a price equal to the principal amount to be prepaid, determined hereinafter as provided, together with interest accrued to the date of prepayment.

The principal amount of this Equipment Trust Certificate to be prepaid from amounts received by the Trustee pursuant to Section 14 of the Lease shall be in the same proportion to the principal amount of this Equipment Trust Certificate outstanding on the termination date referred to above (after application of the tri-monthly level payment due on this Equipment Trust Certificate on such termination date, or if such termination date is not a Payment Date, after deduction of the portion of any amount held by the Trustee in accordance with Section 5.01(b) of the Trust Agreement which is applicable to the principal of this Equipment Trust Certificate) as the Purchase Price of the Item of Equipment with respect to which the Trustee has received such amounts is to the aggregate Purchase Price of (x) all Equipment subject to the Lease on such termination date and (y) all Equipment with respect to which the Trustee has received such amounts.

As provided in Section 9.03 of the Trust Agreement, the Trustor may, after the Trustee, acting with the consent of a Majority in Interest of Participants pursuant to Section 6.01 thereof, has declared the Lease to be in default (unless such declaration has been rescinded), purchase all outstanding Equipment Trust Certificates, upon payment to holders thereof of the aggregate unpaid principal amount thereof, together with accrued interest thereon to the date of payment, plus all other sums then due and payable to such holders hereunder or under the Finance Agreement or under the Trust Agreement.

IN WITNESS WHEREOF, the Trustee has caused this Equipment Trust Certificate to be duly executed on its behalf by an authorized officer as of the date first above written.

AMERICAN FLETCHER NATIONAL BANK AND
TRUST COMPANY,

Trustee

By: _____

Authorized Officer

SECTION 3.02. Subject to fulfillment of the conditions specified in Article IV, on (a) the Second Closing Date, there shall be issued to the Interim Participant a single Interim Certificate dated such date; and (b) the Third Closing Date, there shall be issued to the Loan Participant a single Equipment Trust Certificate; in each case payable to such Participant (or such other person as such Participant shall have designated in writing to the Trustee) in a principal amount equal to the amount of such Participant's Commitment received by the Trustee on such date. Each Certificate shall be payable as to principal and interest and otherwise as provided in the form thereof in Section 3.01.

SECTION 3.03. All payments to be made under the Certificates and under this Trust Agreement shall be made only from the income and the proceeds from the Trust Estate and only to the extent that the Trustee shall have sufficient income or proceeds from the Trust Estate to make such payments in accordance with the terms of Article V hereof. Each holder of a Certificate, by its acceptance thereof, agrees that it will look solely to the income and proceeds from the Trust Estate and without recourse against the Trustor or the Trustee in its individual capacity to the extent available for distribution to such holder as above provided and that neither the Trustor nor the Trustee is or shall be personally liable to the holder of any Certificate for any amounts payable under the Certificates or, except as provided in Sections 7.01 and 7.03, with respect to the Trustee, and Section 8.02 and Article IX, with respect to the Trustor, this Trust Agreement.

SECTION 3.04. The principal of and interest on each Certificate and the amounts payable to the Trustor pursuant to this Trust Agreement will be payable at the office of the Trustee referred to in Section 12.05, in lawful money of the United States of America. Notwithstanding the foregoing or any provision in any Certificate to the contrary, the Trustee will pay, unless otherwise directed by such holder or the Trustor by written notice to the Trustee, all amounts payable by the Trustee to the holder of a Certificate or a designee or nominee therefor or to the Trustor (including all amounts distributed pursuant to Article V of this Trust Agreement) (i) by crediting the amount to be distributed to the Trustor to its account maintained with the Trustee, (ii) by crediting the amount to be distributed to such holder of an Interim Certificate to its account maintained with the Trustee, and (iii) by transferring by wire the amount to be distributed to such holder of an Equipment Trust Certificate to its account at United California Bank or to such other bank in the United States, including a Federal Reserve Bank, as shall have

been specified by such holder for credit to its account maintained at such bank, without any presentment or surrender of any Certificate, except that in the case of the final payment in respect of any Certificate, such Certificate shall be surrendered to the Trustee. The Trustee may deem and treat the person in whose name any Certificate shall have been issued by the Trustee as the absolute owner and holder of such Certificate for the purpose of receiving payment of all amounts payable by the Trustee with respect to such Certificate and for all other purposes, unless and until there is full compliance with the provisions of Section 3.07.

SECTION 3.05. In the case of each Equipment Trust Certificate, each payment of principal and interest and any other payments made thereunder (other than any amounts distributed by the Trustee pursuant to clause "third" of Section 5.02 or clause "second" of Sections 5.03 and 5.06) shall be applied, first, to the payment of accrued interest on such Equipment Trust Certificate to the date of such payment, second, the payment of the principal amount of such Equipment Trust Certificate then due thereunder and third, the balance, if any, remaining thereafter to the payment of the principal amount of such Equipment Trust Certificate remaining unpaid. The amount of each level payment of such Equipment Trust Certificate becoming due after application pursuant to clause "third" above shall be adjusted by the Trustee as directed by the Trustor so that, upon the due payment of all level payments thereafter, the entire unpaid principal amount of and all accrued interest on such Equipment Trust Certificate shall have been paid in full.

SECTION 3.06. A holder of a Certificate shall have no further beneficial interest in, or other right with respect to, the Trust Estate when and if the principal of and interest on all Certificates held by such holder and all other sums payable to such holder hereunder, under the Lease, the Finance Agreement and such Certificates shall have been paid in full.

SECTION 3.07. (a) The Trustee shall maintain a register for the purpose of registering transfers and exchanges of Certificates. A holder of a Certificate intending to transfer any or all of the Certificates shall (x) surrender such Certificate or Certificates to the Trustee at its office referred to in Section 12.05 hereof, together with a written instrument of transfer with signature guaranteed and direction from such holder for the issuance of a new Certificate or Certificates, specifying the denomination or denominations of the same and the name and address of the payee or payees, and

(y) deliver to the Trustee (at such holder's expense) an opinion of counsel satisfactory to the Trustee to the effect that such transfer may be made by the holder of such Certificate or Certificates without violation of the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act") or the registration provisions of the Securities Act of 1933, as amended (the "Securities Act"). The right of such Participant or other holder of a Certificate to transfer such Certificate, as expressed herein, shall be subject to the foregoing and no transfer may be made except on the register maintained by the Trustee and unless evidence of compliance with the foregoing shall have been delivered to the Trustee.

(b) The Certificates are being issued under this Trust Agreement pursuant to the express understanding, and specific representation and warranty made by the Interim Participant and the Loan Participant in the Finance Agreement, that (i) such Participant is acquiring each Certificate for its own account; and (ii) in each case, each Certificate is being acquired for investment and not with a view to the distribution thereof or with any present intention of selling such Certificate, provided that, subject to applicable federal and state securities laws, the disposition of such Certificate shall at all times be within its control. Each such Participant and every subsequent holder of a Certificate shall by its acceptance of a Certificate issued under this Trust Agreement be deemed to have represented and warranted to the Trustee that it will make no sale or other distribution of the Certificate or Certificates issued to it, in whole or in part, in violation of the Trust Indenture Act or the registration provisions of the Securities Act. Each Certificate issued under this Trust Agreement shall bear a legend substantially as follows:

"This (Interim) Equipment Trust Certificate has not been registered under the Securities Act of 1933, as amended, and the sale, transfer or disposition of this (Interim) Equipment Trust Certificate is subject to Section 3.07 of the Trust Agreement, dated as of _____, 1975, pursuant to which this (Interim) Equipment Trust Certificate was issued, copies of which are on file at the corporate trust department of the Trustee."

(c) Promptly upon compliance with subsection (a) of this Section the Trustee will issue a new Certificate or Certificates of the same nature, in the same aggregate original face amount, dated the same date or dates as the Certificate or Certificates surrendered, and in such denomination or denominations and payable to such subsequent holder as shall be specified in the written direction from such holder. Nothing herein contained shall prevent any holder of Certificates from con-

solidating such Certificates of the same nature into a lesser number of Certificates of the same nature. The Trustee shall make a notation on each new Certificate of the amount of all payments or prepayments of principal previously made on the old Certificate or Certificates with respect to which such new Certificate is issued and of the then outstanding principal amount of the new Certificate and the date to which interest on such old Certificate or Certificates has been paid. The Trustee shall not be required to exchange or transfer any surrendered Certificate as above provided during the five-day period preceding the due date of any payment on such Certificate.

SECTION 3.08. If any Certificate shall become mutilated, destroyed, lost or stolen, the Trustee shall, upon the written request of the holder of such Certificate and compliance with the other conditions of this Section, execute and deliver in replacement thereof a new Certificate of the same nature, payable in the same original principal amount, dated the same date as the Certificate so mutilated, destroyed, lost or stolen. If the Certificate being replaced has become mutilated, such Certificate shall be surrendered to the Trustee. If the Certificate being replaced has been destroyed, lost or stolen, the holder of such Certificate shall furnish to the Trustee such security or indemnity as may be required by the Trustee to save the Trustee harmless, and evidence satisfactory to the Trustee of the destruction, loss or theft of such Certificate and of the ownership thereof; provided, however, that if the holder of such Certificate is an original Participant, the written undertaking of such Participant delivered to the Trustee shall be sufficient security and indemnity.

SECTION 3.09. Upon the issuance of a new Certificate or Certificates pursuant to Sections 3.07 or 3.08, the Trustee may require the payment of a sum to reimburse it for, or to provide funds for, the payment of any tax or other governmental charge or any charges and expenses connected therewith paid or payable by the Trustee.

ARTICLE IV

Acceptance and Delivery of Equipment; Issuance of Certificates

SECTION 4.01. The Trustor hereby authorizes and directs the Trustee to, and the Trustee agrees that on each

Delivery Date it will, subject to due compliance with the terms of Section 4.02, accept delivery from the Builder of each Item of Equipment then delivered.

SECTION 4.02. The obligation of the Trustee to take the action required by Section 4.01 on each Delivery Date shall be subject to the following conditions precedent:

(a) the Trustee shall have received a Certificate of Delivery from the Lessee with respect to each Item of Equipment accepted on such Delivery Date; and

(b) the Trustee shall not have actual knowledge of the occurrence of any Event of Default (or other event which with the lapse of time or notice or both would constitute an Event of Default).

SECTION 4.03. The Trustor hereby authorizes and directs the Trustee to, and the Trustee agrees that on the First Closing Date it will, subject to due compliance with the terms of Section 4.04:

(a) accept from the Builder a bill of sale with respect to each Item of Equipment specified in the Certificate of Cost; and

(b) make payment, to the extent received by the Trustee, in Federal funds, as follows:

(i) to the Builder in an amount equal to that portion of the Purchase Price for each Item of Equipment as to which the Trustee shall then have received a Certificate of Delivery, as shown in an invoice from the Builder delivered to the Trustee on or prior to the First Closing Date and certified correct by Lessee in the Certificate of Cost; and

(ii) to such persons and in such amounts as shall constitute elements of Purchase Price (as shown on such Certificate of Cost) not payable to the Builder pursuant to the Purchase Order as evidenced by the invoice of the Builder for each Item of Equipment.

SECTION 4.04. The obligation of the Trustee to take the action required by Section 4.03 on the First Closing

Date shall be subject to the following conditions precedent:

(a) the Trustee shall have received notice of the First Closing Date in accordance with Section 6 of the Lease; and

(b) the Trustee shall have received (i) a Certificate of Cost, and (ii) a certificate of a qualified appraiser as required by Section 18 of the Lease, from the Lessee with respect to each Item of Equipment accepted on each Delivery Date; and

(c) the terms and conditions of Sections 4.01 and 4.02 shall have been satisfied with respect to each Item of Equipment specified in the Certificate of Cost; and

(d) the Trustee shall have received the full amount of the Trustor's Commitment with respect to each Item of Equipment accepted on each Delivery Date; and

(e) the Trustee shall not have actual knowledge of the occurrence of any Event of Default (or other event which with the lapse of time or notice or both would constitute an Event of Default).

SECTION 4.05. The Trustor hereby authorizes and directs the Trustee to, and the Trustee agrees that on the Second Closing Date it will, subject to due compliance with the terms of Section 4.06:

(a) make payment, to the extent received by the Trustee, in funds of the type received from the Interim Participant, to the Trustor; and

(b) issue to the Interim Participant (or its designee) an Interim Certificate in the amount of the Interim Participant's Commitment received by the Trustee with respect to the Second Closing Date and otherwise as provided in Section 3.02.

SECTION 4.06. The obligation of the Trustee to take the action required by Section 4.05 on the Second Closing Date shall be subject to the following conditions precedent:

(a) the Trustee shall have received notice of the Second Closing Date in accordance with Section 2(a) of the Finance Agreement; and

(b) the terms and conditions of Sections 4.03 and 4.04 shall have been satisfied; and

(c) the Trustee shall have received the full amount of the Interim Participant's Commitment with respect to each Item of Equipment specified in the Certificate of Cost; and

(d) the Trustee shall not have actual knowledge of the occurrence of any Event of Default (or other event which with the lapse of time or notice or both would constitute an Event of Default).

SECTION 4.07. The Trustor hereby authorizes and directs the Trustee to, and the Trustee agrees that on the Third Closing Date it will, subject to due compliance with the terms of Section 4.08:

(a) make payment, to the extent received by the Trustee, in funds of the type received from the Loan Participant, to the holder(s) of the Interim Certificates then issued and outstanding, of the total accrued interest and principal thereof;

(b) accept the surrender and effect the cancellation of the Interim Certificates; and

(c) issue to the Loan Participant (or its designee) an Equipment Trust Certificate in the amount and otherwise as provided in Section 3.02.

SECTION 4.08. The obligation of the Trustee to take the action required by Section 4.06 on the Third Closing Date shall be subject to the receipt by the Trustee of the full amount of the Loan Participant's Commitment.

ARTICLE V

Receipt, Distribution and Application of Income From the Trust Estate

SECTION 5.01. Except as otherwise provided in Section 5.03, each payment of rent made under Sections 2(a) and (b) of the Lease as well as any payment of interest on overdue installments of rent received by the Trustee at any time shall be distributed by the Trustee on the Payment Date with respect to which payment was received or if such payment is not received on or before such Payment Date as soon thereafter as it shall be received, in the following order of priority: first, so much of such payment as shall be required to pay in full the aggregate amount of the payments of interest only or principal and interest (as well as any interest on overdue principal or interest) then due on the Certificates shall be distributed to the holders of the Certificates ratably without priority of one over the other; and second, the balance, if any, of such payment remaining thereafter shall be distributed to the Trustor.

SECTION 5.02. Except as otherwise provided in Section 5.03.:

(i) any payment received by the Trustee pursuant to Section 14 of the Lease, and

(ii) any payment received by the Trustee from Lessee pursuant to Section 13(b)(ii) of the Lease as the result of a Casualty Occurrence, as well as any insurance, condemnation or other payment referred to in Section 12(b) of the Lease received directly or through Lessee, to the extent such payment is not required to be paid to Lessee pursuant to said Section 12(b),

shall be distributed by the Trustee in the following order of priority: first, so much of such payment as shall be required to reimburse the Trustee for any expenses (to the extent not previously reimbursed) in connection with any such sale or with the collection or distribution of such payment shall be distributed to the Trustee; second, the balance of such payment, until payment in full of the aggregate unpaid principal amount of all Certificates, plus interest, shall be distributed to the holders of the Certificates ratably, without priority of one over the other; third, in the manner provided in clause "second" of Section 5.03; and fourth, the balance, if any, of such pay-

ment remaining thereafter shall be distributed to the Trustor.

SECTION 5.03. Except as otherwise provided in Section 5.04, all payments received and amounts realized by the Trustee after the Trustee shall have declared the Lease to be in Default pursuant to Section 20 of the Lease, as well as all payments or amounts then held or thereafter received by the Trustee as part of the Trust Estate while such declaration remains in effect, shall be distributed by the Trustee in the following order of priority: first, so much of such payments or amounts as shall be required to reimburse the Trustee for any tax, expense or other out-of-pocket loss incurred by the Trustee and for the reasonable remuneration of the Trustee (to the extent not previously reimbursed or paid) shall be distributed to the Trustee; second, so much of such payments or amounts as shall be required to reimburse the holders of the Certificates for payments, together with interest thereon at the rate of twelve (12) percent per annum, made to the Trustor pursuant to Section 6.03(b) (to the extent not previously reimbursed) shall be distributed to the holders of the Certificates ratably, without priority of one over the other, in accordance with the amount of the payment or payments made by each such holder pursuant to Section 6.03(b) and applicable, as provided in said Section, to the Certificates held by such holder at the time of distribution by the Trustee; third, so much of such payments or amounts as shall be required to pay in full the aggregate unpaid principal amount of all Certificates then outstanding, plus the accrued but unpaid interest thereon to the date of distribution, shall be distributed to the holders of such Certificates ratably, without priority of one over the other; and fourth, the balance, if any, of such payments or amounts remaining thereafter shall be distributed to the Trustor.

SECTION 5.04. All payments received by the Trustee from Lessee pursuant to Sections 19(b) and (c) of the Lease shall be distributed by the Trustee to the Trustor.

SECTION 5.05. Except as otherwise provided in Section 5.03, and subject to Section 5.04, any payments received by the Trustee for which provision as to the application thereof is made in the Lease shall be applied to the purpose for which such payment was made in accordance with the terms of the Lease.

SECTION 5.06. Except as otherwise provided in Sections 5.03, 5.04 and 5.05:

(a) any payments received by the Trustee for which no provision as to the application

thereof is made in the Lease or elsewhere in this Article V, and

(b) all payments received and amounts realized by the Trustee under the Lease or otherwise with respect to the Equipment (including, without limitation, all amounts realized upon the sale or re-letting of the Equipment after the termination of the Lease with respect thereto) to the extent received or realized at any time after payment in full of the principal of and interest on all Certificates, as well as any other amounts remaining as part of the Trust Estate after payment in full of the principal of and interest on all Certificates issued hereunder,

shall be distributed by the Trustee in the following order of priority: first, in the manner provided in clause "first" of Section 5.03; second, in the manner provided in clause "second" of Section 5.03; and third, in the manner provided in clause "fourth" of Section 5.03.

ARTICLE VI

Duties of the Trustee

SECTION 6.01. In the event the Trustee shall have actual knowledge of an Event of Default, the Trustee shall give prompt written notice of such Event of Default to each holder of a Certificate and the Trustor by first class certified mail, postage prepaid, unless such Event of Default shall have been remedied before the giving of such notice. Subject to the terms of Section 6.03, the Trustee shall take such action with respect to an Event of Default, including, but without limitation, waiving such Event of Default or the consequences thereof, as the Trustee shall be directed in writing by a Majority in Interest of Participants. If the Trustee shall not have received instructions as above provided within twenty (20) days after mailing notice of such Event of Default to the holders of the Certificates and the Trustor, the Trustee may, until it shall have received such instructions, refrain from taking any action with respect to such Event of Default. In the event the Trustee shall at any time declare the Lease to be in Default pursuant to Section 20 of the Lease, the unpaid principal amount of all Certificates then outstanding with accrued interest thereon shall immediately become due and payable without further act or notice of

any kind. For all purposes of this Trust Agreement, in the absence of actual knowledge, the Trustee shall not be deemed to have knowledge of an Event of Default unless notified in writing by Lessee or one or more holders of Certificates or the Trustor, except that the Trustee shall be deemed to have actual knowledge of an Event of Default upon the failure of Lessee to pay any installment of rent within ten (10) days after written notice of such non-payment shall have been given by the Trustee to Lessee.

SECTION 6.02. Subject to the terms of Section 6.03, the Trustee shall, but only upon the written instructions at any time and from time to time of a Majority in Interest of Participants, take such of the following actions as may be specified in such instructions:

(i) give such notice or direction or exercise such right or power under the Lease, the Purchase Order or the Assignment as shall be specified in such instructions, or take such other action as shall be specified in such instructions;

(ii) approve as satisfactory to it all matters required by the terms of the Lease to be satisfactory to it, it being understood that without the written instructions of a Majority in Interest of Participants, the Trustee shall not approve any such matter as satisfactory to it;

(iii) subject to Sections 15 and 16 of the Lease, after the expiration or earlier termination of the Lease with respect to the Equipment, convey all the Trustee's right, title and interest in and to the Equipment for such amount, on such terms and to such purchaser or purchasers as shall be designated in such instructions, or lease or otherwise dispose of the Equipment on such terms as shall be designated in such instructions.

SECTION 6.03. (a) The Trustee shall not be required to take any action under Sections 6.01 or 6.02 unless the Trustee shall have been indemnified by the Trustor, in manner and form reasonably satisfactory to the Trustee, against any liability, cost or expense (including counsel fees) which may be incurred in connection with such action; and if a Majority in Interest of Participants shall have directed the Trustee to take any such action, the Trustor agrees to furnish such indemnity as shall be required. The Trustee shall not be required to take any action under Sections 6.01 or 6.02, nor shall any other provision of this Trust Agreement be deemed to impose a duty on the Trustee to take any action, if the

Trustee shall have been advised by counsel that such action is contrary to the terms of the Lease or is otherwise contrary to law.

(b) Each holder of a Certificate by its acceptance of such Certificate agrees that if, prior to payment in full of all Certificates issued hereunder, the Trustor shall make any payment to, or deposit with, the Trustee required to be made pursuant to paragraph (a) of this Section, such holder will reimburse the Trustor the ratable share of such payment or deposit applicable to each Certificate held by such holder, such ratable share being computed with reference to the aggregate Commitments of the Trustor and the holders of the Certificates then outstanding.

SECTION 6.04. The Trustee shall have no duty or obligation to manage, control, use, sell, dispose or otherwise deal with any Item of Equipment or any other part of the Trust Estate, or to otherwise take or refrain from taking any action under, or in connection with, the Lease or the Assignment or any action with respect to the Equipment, except as expressly provided by the terms of this Trust Agreement and as expressly provided in written instructions pursuant to Sections 6.01 or 6.02; and no implied duties or obligations shall be read into this Trust Agreement against the Trustee. The Trustee nevertheless agrees that it will, at its own cost and expense, promptly take such action as may be necessary to duly discharge any liens or encumbrances on any part of the Trust Estate which result from claims against the Trustee not related to the ownership of the Equipment or the administration of the Trust Estate.

SECTION 6.05. The Trustee agrees that it will not manage, control, use, sell, dispose or otherwise deal with any Item of Equipment or any other part of the Trust Estate except in accordance with written instructions pursuant to Section 6.01 or 6.02.

ARTICLE VII

The Trustee

SECTION 7.01. The Trustee accepts the trusts hereby created and agrees to perform the same but only upon the terms of this Trust Agreement. The Trustee shall not be answerable or accountable under any circumstances, except for its own wilful misconduct or gross negligence.

SECTION 7.02. Except in accordance with written instructions furnished pursuant to Section 6.02 and without limitation of the generality of Section 6.04, the Trustee shall have no duty (i) to see to any recording or filing of the Lease or of this Trust Agreement, or to see to the maintenance of any such recording or filing, (ii) to see to any insurance on the Equipment or to effect or maintain

any such insurance, whether or not Lessee shall be in default with respect thereto, (iii) except as provided in Section 6.04, to see to the payment or discharge of any tax, assessment or other governmental charge or any lien or encumbrance of any kind owing with respect to, assessed or levied against, any part of the Trust Estate, (iv) to confirm or verify any financial statements of Lessee or (v) to inspect the Equipment at any time or ascertain or inquire as to the performance or observance of any of Lessee's covenants under the Lease. Notwithstanding the foregoing, the Trustee will furnish to the Participants and to any registered holder of a Certificate (to the extent the same have not previously been furnished to the Participants or such holders) promptly upon receipt thereof, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and other instruments furnished to the Trustee hereunder, under the Lease or under the Assignment.

SECTION 7.03. THE TRUSTEE MAKES NO REPRESENTATION OR WARRANTY AS TO THE VALUE, CONDITION, MERCHANTABILITY OR FITNESS FOR USE OF ANY ITEM OF EQUIPMENT OR AS TO ITS TITLE THERETO, OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT WHATSOEVER EXCEPT THAT THE TRUSTEE HEREBY REPRESENTS AND WARRANTS TO EACH PARTICIPANT THAT EACH ITEM OF EQUIPMENT SHALL BE FREE OF LIENS AND ENCUMBRANCES WHICH MAY RESULT FROM CLAIMS AGAINST THE TRUSTEE NOT RELATED TO THE OWNERSHIP OF THE EQUIPMENT OR THE ADMINISTRATION OF THE TRUST ESTATE OR ANY OTHER TRANSACTION PURSUANT TO THIS TRUST AGREEMENT OR ANY DOCUMENT INCLUDED IN THE TRUST ESTATE.

SECTION 7.04. Monies received by the Trustee hereunder need not be segregated in any manner except to the extent required by law and may be deposited with the Trustee under such general conditions as may be prescribed by law in the general banking department of the Trustee, and the Trustee shall not be liable for any interest thereon.

SECTION 7.05. The Trustee shall not incur any liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper reasonably believed by it to be genuine and reasonably believed by it to be signed by the proper party or parties. The Trustee may accept a copy of a resolution of the Board of Directors or the Executive Committee, if any, of Lessee, certified by the Secretary or an Assistant Secretary of Lessee as duly adopted and in full force and effect, as conclusive evidence that such resolution has been duly adopted by said Board or Executive

Committee and that the same is in full force and effect. As to any fact or matter the manner of ascertainment of which is not specifically described herein, the Trustee may for all purposes hereof rely on a certificate, signed by the Chairman of the Board, or by the President, or by any Vice President of Lessee, as to such fact or matter, and such certificate shall constitute full protection to the Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon. In the administration of the trusts hereunder, the Trustee may execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through agents or attorneys and may, at the expense of the Trust Estate, consult with counsel, accountants, and other skilled persons to be selected and employed by it, and the Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons.

SECTION 7.06. In accepting the trusts hereby created, the Trustee acts solely as trustee hereunder and not in its individual capacity; and all persons, other than the holders of Certificates or the Trustor to the extent provided in Section 7.01, having any claim against the Trustee by reason of the transactions contemplated hereby shall look only to the Trust Estate for payment or satisfaction thereof.

SECTION 7.07. Except as provided in Article V and Section 7.09 hereof, the Trustee agrees that it shall have no right against the holders of the Certificates, the Participants or, except as specifically provided in this Trust Agreement, the Trust Estate for any fee as compensation for services hereunder.

SECTION 7.08. Any and all exculpatory provisions, immunities and indemnities in favor of the Trustee under this Agreement shall inure to the benefit of the Trustee in its capacity as such, as Lessor under the Lease and as Assignee under the Assignment.

SECTION 7.09. The Trustee shall, to the extent not provided for under any applicable provisions of Section 6.03 hereof be entitled to receive from the Trustor reasonable compensation as determined by the Trustee and reimbursement for its expenses and disbursements (including compensation and expenses of its counsel, accountants or other skilled persons and all other persons not regularly employed by the Trustee) in connection with its responsibility hereunder. In the event unusual duties or responsibilities are imposed on the Trustee hereunder, including without limitation duties

and responsibilities on the occurrence of an Event of Default, sale or other disposition of any Item of Equipment, instigation of a lawsuit or claim, or any other reason, the Trustee shall, to the extent not provided for under Section 6.03 hereof, be entitled to receive from the Trustor additional compensation, reasonable in regards to its additional duties or responsibility, and reimbursement for its reasonable expenses and disbursements as set forth above.

SECTION 7.10. When used in this Trust Agreement, the term "actual knowledge" of the Trustee shall mean the actual knowledge of (i) the chairman or vice chairman of the Board of Directors, the president, any vice president, secretary, or (ii) any trust officer or any other employee administering the Trust Estate.

ARTICLE VIII

Indemnification by Trustor

SECTION 8.01. The Trustor hereby agrees, whether or not any of the transactions contemplated hereby shall be consummated, to assume liability for, and to indemnify, protect, save and keep harmless the Trustee, its successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, taxes, claims, actions, suits, costs, expenses or disbursements (including legal fees and expenses) of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Trustee (whether or not also indemnified against by Lessee under the Lease or under the Finance Agreement or also indemnified against by Builder or any other person) in any way relating to or arising out of this Agreement, the Certificates, the Lease, the Finance Agreement, the Purchase Order or the Assignment or the enforcement of any of the terms of any thereof, or in any way relating to or arising out of the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any Item of Equipment (including, without limitation, latent and other defects, whether or not discoverable, and any claim for patent, trademark or copyright infringement), or in any way relating to or arising out of the administration of the Trust Estate or the action or inaction of the Trustee hereunder, except (i) expenses resulting from wilful misconduct or gross negligence on the part of the Trustee in the performance of its duties hereunder, and (ii) expenses resulting from the material breach of any representation or warranty contained in Section 7.03 hereof and

in Section 7(e) of the Finance Agreement. The indemnities contained in this Section shall survive the termination of this Agreement.

SECTION 8.02. The Trustor hereby agrees to indemnify and hold harmless all holders from time to time of Certificates from and against any reduction in the amount payable out of the Trust Estate to such holders in respect of such Certificates or other loss, cost or expense reasonably incurred by such holders as a result of the imposition or enforcement of any lien or claim against the Trust Estate by any taxing authority because of non-payment by the Trustor of taxes imposed or measured by the net income of the Trustor by such taxing authority.

ARTICLE IX

Transfer of Trustor's Interest

SECTION 9.01. The Trustor shall not assign, convey or otherwise transfer any of its right, title or interest in and to this Agreement, the Trust Estate or the Finance Agreement; provided, however, that the Trustor may, subject to the receipt by the Trustee of an opinion of counsel reasonably satisfactory to it (who may be counsel to the Trustor) as to compliance with the restrictions recited in Section 7(b) of the Finance Agreement, convey to any person (hereinafter referred to as the "transferee") all, but not less than all, of its right, title and interest as the Trustor in and to this Agreement, the Trust Estate and the Finance Agreement, provided (i) the transferee enters into an agreement or agreements in form and substance satisfactory to the Trustee and counsel to the Interim Participant and the Loan Participant, whereby such person confirms that it shall be deemed a party to the Finance Agreement and a party to this Trust Agreement and agrees to be bound by all the terms of, and to undertake all of the obligations of the Trustor contained in, the Finance Agreement and this Trust Agreement, (ii) the Trustor assumes the risk of any adverse tax consequences to the Trustor resulting from such conveyance and (iii) that, if the transferee is not a bank or lending institution with a combined capital and surplus of at least Twenty-five Million Dollars (\$25,000,000), the Trustor shall, (x) unless the requirement of a tax indemnification agreement shall have been waived by the holders of more than fifty (50) percent in aggregate principal amount of Certificates pursuant to Section 9.02, enter in a tax indemnification agreement, in form and substance satisfactory to counsel to the Interim Participant and the Loan Participant, with the Trustee

for the benefit of the holders of the Certificates pursuant to which the Trustor will indemnify and hold harmless all present and future holders of Certificates, from and against any reduction in the amount payable out of the Trust Estate to such holders in respect of Certificates, or other loss, cost or expense incurred by such holders, as a result of the imposition or enforcement of any lien or claim against the Trust Estate by any taxing authority because of the nonpayment by the transferee of taxes imposed on or measured by the net income of the transferee by such taxing authority and (y) remain jointly and severally liable with the transferee for its obligations under Section 8.01. Under any such conveyance by the Trustor to the transferee as above provided, such transferee shall be deemed the Trustor for all purposes hereof, and shall be deemed to have invested all the Trustor's Commitment in the Equipment, and each reference herein to the Trustor shall thereafter be deemed a reference to the transferee.

SECTION 9.02. Any Trustor proposing to transfer its interests hereunder pursuant to Section 9.01 shall give written notice to the Trustee, specifying the name and address of the proposed transferee and specifying the facts necessary to determine whether or not the holders of the Certificates are entitled to tax indemnification in respect of such transfer pursuant to clause (x) of clause (iii) of the proviso to the first sentence of Section 9.01 and the Trustee shall promptly notify each holder of a Certificate in writing of the proposed transfer, requesting each holder of a Certificate to notify the Trustee in writing whether or not it requests such tax indemnification, if the holders of Certificates are entitled to such indemnity. Any such holder which has not notified the Trustee within thirty (30) days after such notice from the Trustee shall be deemed to have waived such tax indemnification. Not later than five (5) days after the end of such thirty-day period the Trustee shall notify the Trustor whether or not tax indemnification in respect of such transfer has been waived by holders of more than fifty (50) percent in aggregate principal amount of Certificates outstanding as of the date of such notice from the Trustee.

SECTION 9.03. At any time after the occurrence and during the continuance of an Event of Default and upon the written request of the Trustor, each holder of a Certificate agrees that it will, upon receipt from the Trustor of an amount equal to the aggregate unpaid principal amount of all Certificates then held by such holder, together with accrued interest thereon to the date of payment, plus all other sums then due and payable to such holder hereunder or under the Finance Agreement, the Lease and such Certificates, forthwith

sell, assign, transfer and convey to the Trustor all of the right, title and interest of such holder in and to the Trust Estate, the Finance Agreement, this Trust Agreement and all Certificates held by such holder, and the Trustor shall assume all of such holder's obligations under the Finance Agreement. If the Trustor shall so request, such holder will comply with all the provisions of Section 3.07, at the Trustor's expense, to enable new Certificates to be issued to the Trustor in such denominations as the Trustor shall request. All charges and expenses required pursuant to Section 3.09 in connection with the issuance of any such new Certificate shall be borne by the Trustor.

SECTION 9.04. Unless a Default under Section 20 of the Lease shall have occurred and be continuing, upon Lessee's failure to make any payment of rent when the same shall have become due, the Trustor may pay to the Trustee, prior to the next succeeding Payment Date, an amount equal to any principal and interest (including interest, if any, on overdue payments of principal and interest) then due and payable on the outstanding Certificates and, unless Lessee has failed for any reason to pay in full within the grace period the rent for each of the two (2) preceding quarterly lease periods, such payment by the Trustor shall be deemed to cure any Default which otherwise would have arisen from such failure of Lessee; upon such payment by it the Trustor shall be subrogated to the rights of the holders of the Certificates in respect of such payment of rent and payment of interest on account of its being overdue, and, notwithstanding Section 5.01 hereof, shall upon written notice to the Trustee by the Trustor and if no other Event of Default shall have occurred and be continuing, and if all principal and interest payments due on the Certificates at the time of receipt by the Trustee of such payment of rent have been paid, be entitled to receive such rent and such interest upon receipt thereof by the Trustee; provided, however, that in the event that the principal of and interest on the Certificates shall have become due and payable pursuant to Section 6.01 hereof, such subrogation shall be subordinate to the rights of the holders of the Certificates in respect of such payment of rent and such interest prior to receipt by the Trustor of any amount pursuant to such subrogation, and provided further, however, that the Trustor will not seek to recover any such payment (or any amount in lieu thereof) except pursuant to the foregoing right of subrogation.

ARTICLE X

Successor Trustee

SECTION 10.01. (a) The Trustee or any successor thereto may resign at any time without cause by giving at least thirty (30) days' prior written notice to the Trustor and each holder of a Certificate. In addition, a Majority in Interest of Participants may at any time remove the Trustee without cause by an instrument in writing delivered to the Trustee, the Trustor and each other holder of a Certificate. Any such resignation or removal shall only become effective upon the appointment as hereinafter provided of a successor Trustee and the acceptance of such appointment by such successor Trustee. In the case of the resignation or removal of the Trustee, a Majority in Interest of Participants may appoint a successor Trustee by an instrument signed by such Majority in Interest of Participants. If a Majority in Interest of Participants shall not have appointed a successor Trustee within thirty (30) days after such notice of resignation or removal, the Trustee, the Trustor or any holder of a Certificate may apply to any court of competent jurisdiction to appoint a successor Trustee to act until such time, if any, as a successor shall have been appointed by a Majority in Interest of Participants as above provided. Any successor Trustee so appointed by such court shall immediately and without further act be superseded by any successor Trustee appointed by a Majority in Interest of Participants within one year from the date of the appointment by such court.

(b) Any successor Trustee, whether appointed by a court or by a Majority in Interest of Participants or otherwise, shall execute and deliver to the predecessor Trustee an instrument accepting such appointment, and thereupon such successor Trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor Trustee in the trusts hereunder with like effect as if originally named as a Trustee herein; but nevertheless upon the written request of such successor Trustee, such predecessor Trustee shall execute and deliver an instrument transferring to such successor Trustee, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of such predecessor Trustee, and such predecessor Trustee shall duly assign, transfer, deliver and pay over to such successor Trustee any property or moneys then held by such predecessor Trustee upon the trusts herein expressed.

SECTION 10.02. Any successor Trustee, however appointed, shall be a bank or trust company duly authorized to conduct a trust business and having a combined capital and surplus of at least Twenty-five Million Dollars (\$25,000,000).

SECTION 10.03. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation to which substantially all the business of the Trustee may be transferred, shall, subject to the terms of Section 10.02, be the Trustee under this Trust Agreement without further act.

ARTICLE XI

Supplements and Amendments to This Trust Agreement And Other Documents

SECTION 11.01. At any time and from time to time, upon the written request of a Majority in Interest of Participants, (i) the Trustee shall execute a supplement hereto for the purpose of adding provisions to, or changing or eliminating provisions of this Trust Agreement as specified in such request, provided that the Trustor shall also execute the same and (ii) the Trustee shall enter into such written amendment of or supplement to the Lease, the Assignment or the Purchase Order as Lessee or the Builder, as the case may be, may agree to and as may be specified in such request, or execute and deliver such written waiver or modification of the terms of the Lease, the Assignment or the Purchase Order as may be specified in such request; provided, however, that, without the consent of the Trustor and each holder of a Certificate then outstanding no such supplement to this Agreement or amendment of or supplement to the Lease, the Assignment or the Purchase Order, or waiver or modification of the terms of any thereof, shall (i) modify any of the provisions of this Section or of Sections 6.01 or 6.02 or the definition of Majority in Interest of Participants, (ii) reduce the amount or extend the time of payment of any amount owing under any Certificate or alter or modify the provisions of Article V hereof with respect to the order of priorities in which distributions thereunder shall be made as between the holders of Certificates and the Trustor, (iii) reduce, modify or amend any indemnities in favor of the Participants (except that the indemnities contained in Sections 19(b) and (c) of the Lease may be modified with the consent of the Trustor only), (iv) reduce the amount or extend the time of payment of the rent, Termination Value or Stipulated Loss Value of any Item of Equipment as set forth in the Lease, or (v) modify, amend or supplement the Lease or consent to any assignment of the Lease, in either case releasing Lessee from its obligations in respect of the payment

of the rent, Termination Value or Stipulated Loss Value for any Item of Equipment or changing the absolute and unconditional character of the obligations of Lessee as set forth in Section 28 of the Lease.

SECTION 11.02. If in the opinion of the Trustee any document required to be executed pursuant to the terms of Section 11.01 affects any immunity or indemnity in favor of the Trustee under this Trust Agreement or the Lease, the Trustee may in its discretion decline to execute such document.

SECTION 11.03. It shall not be necessary for written request of the holders of Certificates or the Trustor furnished pursuant to Section 11.01 to specify the particular form of the proposed document to be executed pursuant to said Section, but it shall be sufficient if such request shall indicate the substance thereof.

SECTION 11.04. Promptly after the execution by the Trustee of any document entered into pursuant to Section 11.01, the Trustee shall mail, by certified mail, postage prepaid, a conformed copy thereof to the Trustor and each holder of a Certificate at its address last known to the Trustee, but the failure of the Trustee to mail such conformed copies shall not impair or affect the validity of such document.

ARTICLE XII

Miscellaneous

SECTION 12.01. Except as expressly herein provided, this Trust Agreement and the trusts created hereby shall terminate and this Trust Agreement shall be of no further force or effect upon the sale or other final disposition by the Trustee of all Units at any time part of the Trust Estate and the final distribution by the Trustee of all monies and other property or proceeds constituting part of the Trust Estate in accordance with the terms hereof, provided that at such time Lessee shall have fully complied with all of the terms of the Lease and the Finance Agreement; otherwise this Trust Agreement and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof.

SECTION 12.02. Neither the Trustor nor any holder of a Certificate shall have legal title to any part

of the Trust Estate. No transfer, by operation of law or otherwise, of any Certificate or other right, title and interest of any holder of a Certificate in and to the Trust Estate or hereunder shall operate to terminate this Trust Agreement or the trusts hereunder or entitle any successor or transferee of such holder to an accounting or to the transfer to it of legal title to any part of the Trust Estate.

SECTION 12.03. Any sale or other conveyance of any Item of Equipment by the Trustee made pursuant to the terms of this Trust Agreement or of the Lease shall bind the Trustor and the holders of the Certificates and shall be effective to transfer or convey all right, title and interest of the Trustee, the Trustor and such holders in and to such Item of Equipment. No purchaser or other grantee shall be required to inquire as to the authorization, necessity, expediency or regularity of such sale or conveyance or as to the application of any sale or other proceeds with respect thereto by the Trustee.

SECTION 12.04. Nothing in this Trust Agreement, whether express or implied, shall be construed to give to any person other than the Trustee, the Trustor and the holders of the Certificates any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any Certificate; but this Trust Agreement and the Certificates shall be held to be for the sole and exclusive benefit of the Trustee, the Trustor and the holders of the Certificates.

SECTION 12.05. Unless otherwise expressly specified or permitted by the terms hereof, all notices shall be in writing, mailed by certified mail, postage prepaid, and (i) if to the Trustee, addressed to it at its corporate trust department at 101 Monument Circle, Indianapolis, Indiana 46277, Attention: Corporate Trust Department, and (ii) if to the Trustor or any holder of Certificate, addressed to it at the address set forth in the Finance Agreement or as it shall have furnished in writing to the Trustee. Whenever any notice in writing is required to be given by the Trustee, the Trustor or any holder of a Certificate to any of the other of them, such notice shall be deemed given and such requirement satisfied if such notice is mailed in compliance with the terms of this Section.

SECTION 12.06. Any provision of this Trust Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent

of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 12.07. No term or provision of this Trust Agreement or any Certificate may be changed, waived, discharged or terminated orally, but, except as provided in Section 11.01, only by an instrument in writing signed by the party or other person against whom enforcement of the change, waiver, discharge or termination is sought; and any waiver of the terms hereof or of any Certificate shall be effective only in the specific instance and for the specific purpose given.

SECTION 12.08. This Trust Agreement may be executed by the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 12.09. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the Trustee and its successors and assigns and the Trustor and its successors and, subject to Article IX, its assigns. Any request, notice, direction, consent, waiver or other instrument or action by any holder of a Certificate shall bind the successors and assigns of such holder.

SECTION 12.10. The headings of the various Articles herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

SECTION 12.11. This Trust Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of Maryland, including all matters of construction, validity and performance; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

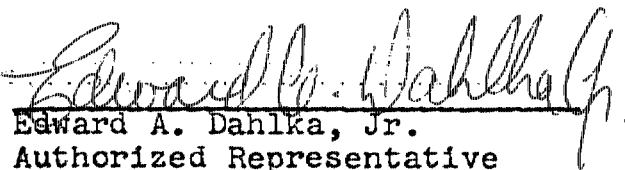
IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

ATTEST:

MARYLAND NATIONAL BANK


Authorized Officer

By:


Edward A. Dahlka, Jr.
Authorized Representative

TRUSTOR

ATTEST:

AMERICAN FLETCHER NATIONAL BANK
AND TRUST COMPANY


Authorized Officer

By: 

Vice President

TRUSTEE

STATE OF MARYLAND :
: ss:
CITY OF BALTIMORE :

On this 27 day of JUNE, 1975, before me personally appeared EDWARD A. DAHLKA, JR., to me personally known, who, being by me duly sworn, says that he is an authorized representative of Maryland National Bank, that the seal affixed to the foregoing instrument is the corporate seal of said association, that said instrument was signed and sealed on behalf of said association, by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.


Notary Public

My Commission Expires: July 1, 1978

STATE OF NEW YORK ~~INDIANA~~ :
: ss:
COUNTY OF New York :

On this 30th day of JUNE, 1975, before me personally appeared JOHN A. EGGER, to me personally known, who, being by me duly sworn, says that he is a Vice President of American Fletcher National Bank and Trust Company, that the seal affixed to the foregoing instrument is the corporate seal of said association, that said instrument was signed and sealed on behalf of said association, by authority of its Board of Directors, and he acknowledged that

the execution of the foregoing instrument was the free act
and deed of said association.

David G. Hume

Notary Public

My Commission Expires: **DAVID G. HUME**
NOTARY PUBLIC, State of New York
~~No. 31-4005113~~
Qualified in New York County
Commission Expires March 30, 1977

ASSIGNMENT OF PURCHASE AGREEMENT

Dated as of _____, 1975

Between

INDIANA & MICHIGAN ELECTRIC COMPANY

Assignor

and

AMERICAN FLETCHER NATIONAL BANK AND TRUST COMPANY

Assignee

INDIANA & MICHIGAN ELECTRIC COMPANY

127 One Hundred-Ton Steel Triple

Hopper Coal Cars

Filed and recorded with the Interstate Commerce
Commission pursuant to Section 20c of the Interstate
Commerce Act on _____, 1975, at _____ A.M.,
Recordation No. _____.

ASSIGNMENT OF PURCHASE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that as of _____, 1975, Indiana & Michigan Electric Company, an Indiana corporation (hereinafter called the "Assignor"), in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, DOES HEREBY SELL, ASSIGN, TRANSFER AND SET OVER UNTO AMERICAN FLETCHER NATIONAL BANK AND TRUST COMPANY, a national banking association, as Trustee under that certain Equipment Trust Agreement dated as of even date hereof with the Trustor named therein (hereinafter called the "Assignee"), all of the Assignor's right, title and interest in and to that certain Supplemental Contract made as of February 18, 1975, among the Assignor; its agent, American Electric Power Service Corporation, a New York corporation (hereinafter called the "Agent"); and Greenville Steel Car Company (hereinafter called the "Builder"); which incorporates by reference that certain Contract dated as of January 31, 1975, between the Agent and the Builder (hereinafter individually called the "Supplemental Contract" and the "Original Contract", respectively, and together called the "Purchase Agreement"), insofar as it relates to up to one hundred twenty-seven (127) units of railroad equipment (hereinafter called the "Equipment") described in Annex A hereto, together with all and singular the Equipment and all rights, title and interest now owned or hereafter acquired by the Assignor in and to the Equipment and in and to the Purchase Agreement, to have and to hold all and singular the Equipment and the Purchase Agreement to the Assignee and its assigns for its and their own use forever.

The Assignor does hereby represent and warrant that it is the lawful owner, free from all liens, security interests and encumbrances, of the rights of the Assignor under the Purchase Agreement in respect of the Equipment, that it has the right to sell and assign such rights of the Assignor under the Purchase Agreement as set forth herein and that it will warrant and defend this Assignment against the lawful claims and demands of all persons.

The Assignee hereby appoints the Assignor its agent for inspection and acceptance of the Equipment.

Settlement for the Equipment to be acquired from the Builder will be made by the Assignee as provided in Exhibit B to the Original Contract, but Assignee shall not be obligated to pay for any Item of Equipment not accepted by the Assignor pursuant to the Lease of Railroad Equipment between Assignee and Assignor of even date herewith or in excess of Four Million Dollars (\$4,000,000.00) in the aggregate and in the event of nonpayment of any Item of Equipment by the Assignee because of the foregoing or otherwise, the Assignor covenants with the Assignee and the Builder, as third party beneficiary hereof, that the Assignor will be obligated to accept each Item of Equipment completed and delivered by the Builder in accordance with the Purchase Agreement and to pay the full purchase price therefor not later than thirty (30) days after such payment was due, together with interest from the date such payment was due to the date of payment by the Assignor at the average prime rate of interest charged by the five (5) largest New York City banks in effect at 11:00 a.m., New York City time, on the date such payment was due. Such payment by the Assignor shall be made in cash, either directly or, in case the Assignor shall arrange therefor, by means of a conditional sale, equipment trust or other appropriate method of financing as the Assignor shall determine. The Assignor warrants that no Item of Equipment has been delivered by the Builder and no payment has been made in respect thereof to the Builder.

The Assignor, the Agent and the Builder, by their acknowledgement hereof, hereby agree that the Assignee shall not have any obligation or liability under the Purchase Agreement except with respect to the payment of the Purchase Price for the Equipment by reason or arising out of this Assignment or be obligated to perform any of the other obligations or duties of the Assignor under the Purchase Agreement.

The Assignor agrees to cause this Assignment to be filed and recorded in accordance with Section 20c of the Interstate Commerce Act.

IN WITNESS WHEREOF, the Assignor has caused this

Assignment to be duly executed as of the date first above written.

INDIANA & MICHIGAN ELECTRIC COMPANY
Assignor

By

Vice President

EXHIBIT
(NOT FOR EXECUTION)

(CORPORATE SEAL)

Attest:

Assistant Secretary

AMERICAN ELECTRIC POWER SERVICE
CORPORATION, as Agent

By

Senior Vice President

EXHIBIT
(NOT FOR EXECUTION)

(CORPORATE SEAL)

Attest:

Assistant Secretary

The foregoing Assignment is hereby accepted as of
_____, 1975.

AMERICAN FLETCHER NATIONAL
BANK AND TRUST COMPANY,
As Trustee
Assignee

ATTEST:

(Corporate Seal)

By _____

Vice President

EXHIBIT
(NOT FOR EXECUTION)

STATE OF NEW YORK)

SS:

COUNTY OF NEW YORK)

On this _____ day of _____, 1975, before me personally appeared Gerald P. Maloney, to me personally known, who, being by me duly sworn, says that he is a Vice President of INDIANA & MICHIGAN ELECTRIC COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

EXHIBIT
Notary Public
(NOT FOR EXECUTION)

(Notarial Seal)

My Commission Expires:

STATE OF NEW YORK)
 SS:
COUNTY OF NEW YORK)

On this _____ day of _____, 1975, before me personally appeared Gerald P. Maloney, to me personally known, who, being by me duly sworn, says that he is a Senior Vice President of AMERICAN ELECTRIC POWER SERVICE CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

EXHIBIT
(NOT FOR EXECUTION) Public

(Notarial Seal)

My Commission Expires:

STATE OF)
 SS:
COUNTY OF)

On this _____ day of _____, 1975, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is a Vice President of AMERICAN FLETCHER NATIONAL BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said association, that said instrument was signed and sealed on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

EXHIBIT
(NOT FOR EXECUTION) Notary Public

(Notarial Seal)

My Commission Expires:

ANNEX A TO ASSIGNMENT OF PURCHASE AGREEMENT

<u>Type</u>	<u>Place of Delivery</u>	<u>Quan- tity</u>	<u>Road Numbers (Inclusive)</u>	<u>Unit Base Price</u>	<u>Total Base Price</u>
4000 cu. ft. triple hopper coal cars	Manufacturer's Plant at Greenville, PA	127	AEPX-1874 to AEPX-2000	\$28,500	\$3,619,500

LEASE OF RAILROAD EQUIPMENT

Dated as of _____, 1975

Between

AMERICAN FLETCHER NATIONAL BANK AND TRUST COMPANY

as Trustee,

Lessor

and

INDIANA & MICHIGAN ELECTRIC COMPANY,

Lessee

127 One Hundred-Ton Steel Triple Hopper
Coal Cars

Filed and recorded with the Interstate Commerce Commission
pursuant to Section 20c of the Interstate Commerce Act on
_____, 1975, at _____ A.M., Recordation No. _____.

LEASE OF RAILROAD EQUIPMENT

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LEASE OF RAILROAD EQUIPMENT dated as of _____ 1975, between AMERICAN FLETCHER NATIONAL BANK AND TRUST COMPANY, a national banking association, as Trustee ("Lessor") under Equipment Trust Agreement ("Trust Agreement") dated as of the date hereof with the Trustor named therein ("Trustor") and INDIANA & MICHIGAN ELECTRIC COMPANY, an Indiana corporation ("Lessee").

In consideration of the mutual covenants, terms and conditions hereinafter contained, Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the railroad equipment described in Schedule A attached hereto (hereinafter collectively referred to as the "Equipment", or individually as an "Item of Equipment") subject to the terms and conditions set forth herein.

Lessor shall purchase such Equipment pursuant to an Assignment of Purchase Agreement (said Assignment of Purchase Agreement, as consented and agreed to by the Builder referred to below, is hereinafter called the "Assignment") whereby Lessee has assigned its interest in that certain Supplemental Contract among Lessee, American Electric Power Service Corporation ("AEPSC"), and Greenville Steel Car Company (the "Builder"), made as of February 18, 1975 (the "Supplemental Contract"), by the terms of which Lessee was designated as the Purchaser of the Equipment for all purposes under that certain Contract between AEPSC, as agent for an Operating Company of the American Electric Power System, and the Builder, made as of January 31, 1975 (the "Contract" and hereinafter together with the Supplemental Contract referred to as the "Purchase Order").

This Lease is made upon the following terms and conditions:

1. TERM.

(a) An initial term of lease with respect to each Item of Equipment shall begin on the Delivery Date with respect to such Item of Equipment (as defined in Section 6 hereof) and, subject to the provisions of Section 13 hereof, shall extend until January 1, 1976 (the "Initial Term").

(b) Upon expiration of the Initial Term, a full term of lease with respect to each Item of Equipment then under lease shall commence and, subject to the provisions of Sections 13 and 14 hereof, shall terminate on January 1, 1991, the date on which the sixtieth (60th) quarterly payment of rent is due pursuant to Section 2 hereof (the "Full Term").

2. RENT. Lessee covenants and agrees to pay to Lessor, as rent for each Item of Equipment, without any deduction or setoff and without prior notice or demand,

(a) During the Initial Term with respect to each Item of Equipment, quarterly payments in arrears, for each calendar quarter or portion thereof during the Initial Term, in an amount equal to (x) .033928% of the Purchase Price of such Item of Equipment (as defined in Section 6 hereof), multiplied by (y) the lesser of (i) the number of days in such calendar quarter, and (ii) the number of days in such calendar quarter from and after the Delivery Date (but inclusive thereof).

(b) During the Full Term with respect to each Item of Equipment, sixty (60) quarterly payments in arrears, commencing with a payment on April 1, 1976, each such payment to be in an amount equal to 3.0535% of the Purchase Price of such Item of Equipment (as defined in Section 6 hereof).

Payments of rent are to be paid to Lessor at the address specified in Section 29 hereof.

Time is of the essence of this Lease. In the event that any rent or other payment due hereunder shall not have been paid on the date on which it becomes due and payable, Lessor may collect, and Lessee hereby agrees to pay, interest at the rate of twelve (12) per cent per annum on any part of any installment of rent not paid within ten (10) days after its due date. Lessee agrees that in the event that Lessee is in Default (as defined in Section 20 hereof) and this Lease is placed for collection in the hands of an attorney who is not a salaried employee of Lessor, to pay reasonable attorney's fees plus court costs.

3. REPORTS. Lessee will furnish Lessor, in such number of copies as may be reasonably requested by Lessor:

(a) Within one hundred twenty (120) days after the end of each fiscal year of Lessee, a balance sheet of Lessee as at the end of such year, and the related earnings statement of Lessee for such fiscal year, all in reasonable detail and certified by independent public accountants of recognized standing, selected by Lessee; and

(b) On or before March 31 in each year, commencing with March 31, 1976, an accurate statement (i) setting forth as at the preceding December 31 the quantity, description and road numbers of the Equipment then leased hereunder; (ii) setting forth the description and road number of each Item of Equipment that has suffered a Casualty Occurrence (as defined in Section 13(b) hereof) during the preceding calendar year (or since the date of this Lease in the case of the first such statement) and such other information regarding the condition and state of repair of the Equipment as Lessor may reasonably request; and (iii) stating that, in

the case of each Item of Equipment repainted or repaired during the period covered by such statement, the road numbers and the markings required by Section 7 hereof have been preserved or replaced. Lessor shall have the right by its agents to inspect Lessee's records with respect to the Equipment at the customary location of such records and to inspect the Equipment at such reasonable times as Lessor may request during the continuance of this Lease;

and, if requested in writing by Lessor:

(c) as soon as available and in any event within sixty (60) days after the end of the first, second and third quarterly accounting periods in each fiscal year of Lessee, a consolidated balance sheet of Lessee as at the end of such period and the related statement of income and retained earnings of Lessee for such period, setting forth in each case in comparative form the figures for the corresponding periods of the previous fiscal year, all in reasonable detail and certified as complete and correct, subject to changes resulting from year-end audit adjustments, by the principal financial or accounting officer of Lessee; and

(d) promptly after the filing thereof with the appropriate agency, a copy of any report filed by Lessee with the Securities and Exchange Commission on Form 8-K, U5S or 10-Q, or other similar forms then in effect, and with the Federal Power Commission, and with the Public Service Commission of Indiana.

4. AUTHORIZATION AND CERTIFICATION. Prior to Lessee's acceptance and use of the Equipment, and on the First Closing Date, the Second Closing Date and the Third Closing Date (as defined in the Trust Agreement) Lessor, and to the extent required by Lessor, Trustor and their successors and assigns, shall receive the following, in form and substance satisfactory to Lessor's counsel:

(a) Resolutions of the Board of Directors or validly authorized Executive Committee of Lessee, certified by the Secretary or an Assistant Secretary of Lessee, substantially in the form attached hereto as Exhibit No. 1, duly authorizing the assignment of the Purchase Order and the leasing of the Equipment hereunder and the execution, delivery and performance of the Assignment and this Lease and all related certificates, instruments and documents;

(b) Evidence as to due compliance with the insurance provisions of Section 12 hereof; and

(c) An opinion of Messrs. Borden & Ball, special counsel for Lessee, as to each of the matters set forth in sub-parts (a) through (k) of Section 5 hereof and as to such other matters as Lessor may reasonably request. In giving such opinion with respect to sub-part (k) of Section 5

hereof, such counsel may rely, as to matters of Indiana law and in respect of the Public Service Commission of Indiana, upon the opinion of Messrs. Livingston, Dildine, Haynie and Yoder, local counsel for Lessee. In rendering its opinion such special counsel may limit its opinion to its information and belief in respect of the following: failure to qualify in any jurisdictions other than Indiana and Michigan; conflict between this Agreement and any other agreement of Lessee other than the Mortgage and Deed of Trust (as defined in sub-part (b) of Section 5); and conflict with any franchise, license, permit, judgment and any governmental rule or regulation or order; any material default in respect of the Purchase Order or the Assignment as defined herein; and all of the matters set forth in sub-part (g) of Section 5 hereof.

5. LESSEE'S REPRESENTATIONS AND WARRANTIES. Lessee hereby represents and warrants to Lessor, Trustor, and their successors and assigns, that:

(a) Lessee is a corporation duly organized and existing in good standing under the laws of the State of Indiana and has the corporate power and authority to carry on its present business and operations as presently conducted and to own or hold under lease its properties and to perform its obligations under the Assignment and this Lease; and is duly qualified and authorized to do business in the State of Michigan and its failure so to qualify, in any other jurisdiction would not have a material adverse impact on the Assignment, this Lease and/or the Equipment.

(b) The assignment of the Purchase Order and the leasing of the Equipment from Lessor by Lessee, the execution and delivery of the Assignment and of this Lease and all related instruments and documents, and compliance by Lessee with the terms thereof and hereof, (i) have been duly and legally authorized by appropriate corporate action taken by Lessee; (ii) do not require any shareholder approval or approval or consent of any trustee or holders of any indebtedness or obligations of Lessee; and (iii) are not in contravention of, and will not result in a breach of, any of the terms of Lessee's Charter or its By-Laws, or of any provisions relating to shares of the stock of Lessee, or any loan agreements or indentures of Lessee, or any franchise, license, permit, judgment, law, governmental rule, regulation or order binding on Lessee or any other contract, agreement or instrument to which Lessee is a party or under which it is bound.

(c) The Purchase Order and the Assignment have each been duly authorized, executed and delivered by Lessee; each constitutes a legal, valid and binding obligation of Lessee enforceable against Lessee in accordance with the terms thereof; and Lessee is not in default in any material respect under the Purchase Order or the Assignment.

(d) The Assignment is effective to convey to Lessor the rights and claims purported to be conveyed thereby, free and clear of all liens and effective to retain in Lessee such rights and duties as are purported to be retained thereunder without any obligation, liability or duty whatsoever on the part of Lessor to exercise such rights or perform the duties so retained.

(e) This Lease and all other related documents with respect to the Equipment, when executed by the duly authorized officers of Lessee and delivered to Lessor, will constitute valid and legally binding obligations of Lessee, enforceable against Lessee in accordance with the terms thereof, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally, and by applicable laws (including any applicable common law and equity) which may affect the remedies provided therein.

(f) The right, title and interest of Lessor in and to the Equipment described in this Lease and the rent therefrom, is not now and will not be affected or impaired by the terms of any loan agreement or indenture or any other contract, agreement or instrument to which Lessee is a party, or under which it is bound, nor by any mortgage, deed of trust, lease or other lien or security interest of any nature whatsoever which now covers or affects any property or interests therein of Lessee; provided, however, that the leasehold interest of Lessee under this Lease shall be subject to a lien arising under that certain Mortgage and Deed of Trust, dated as of June 1, 1939, originally between Lessee and Irving Trust Company, as Corporate Trustee, and Frederick G. Herbst, as Individual Trustee, as the same has been and may from time to time hereafter be amended and supplemented (the "Mortgage and Deed of Trust").

(g) Except as disclosed in the letter of even date herewith furnished to Lessor, there are no actions, suits or proceedings pending, or to the knowledge of Lessee threatened, before any court, administrative agency, environmental council, arbitrator or governmental body which, individually or in the aggregate, will, if determined adversely to Lessee, materially impair its ability to perform its obligations under this Lease, the Purchase Order or the Assignment, or directly or indirectly affect or impair the title of Lessor to the Equipment.

(h) Upon the due filing and recordation of the Trust Agreement and this Lease with the Interstate Commerce

Commission pursuant to Section 20c of the Interstate Commerce Act, such filing and recordation will protect the interests of Lessor, the Trustor and their successors and assigns in and to the Equipment and no filing, recording or deposit (or giving of notice) with any other federal, state or local government or agency is necessary in order to protect such interests.

(i) No part of the Equipment, which consists solely of equipment used for the carriage of raw materials, constitutes (i) "utility assets" as defined in Section 2(a)(18) of the Public Utility Holding Company Act of 1935, as amended (the "1935 Act"), or (ii) facilities used for the generation, transmission, or distribution of electric energy for sale as referred to in Section 2(a)(3) of the 1935 Act; or (iii) a facility for the transmission or sale of electric energy within the meaning of the Federal Power Act, as amended.

(j) Lessee is a "holding company" and a "subsidiary company", as defined in subdivisions (7) and (8) respectively, of Section 2(a) of the 1935 Act; Lessee is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(k) Neither the execution and delivery by Lessee of the Purchase Order, the Assignment, or this Lease and all documents required pursuant hereto, nor the performance by Lessee of any of the transactions specified herein and therein requires the consent or approval of, the giving of notice to, the registration with, or the taking of any other action in respect of any Federal, state or other governmental authority or agency (including, without limitation, the Public Service Commission of Indiana, the Federal Power Commission, the Interstate Commerce Commission and the Securities and Exchange Commission).

(l) Lessee is a subsidiary of American Electric Power Company, Inc. ("AEP"), the common parent of an affiliated group of corporations; AEP files a consolidated Federal income tax return which includes Lessee as a member of the affiliated group and has filed all consolidated Federal income tax returns required to be filed by it; Lessee has paid or made provision for the payment of its share of all taxes which have become due pursuant to said returns or pursuant to any assessment in respect thereof, except such taxes, if any, as are being contested in good faith; to the best of Lessee's knowledge and belief, AEP and the affiliated

group have paid or made provision for the payment of all taxes which have become due pursuant to said returns or pursuant to any assessment in respect thereof, except such taxes, if any, as are being contested in good faith; the consolidated Federal income tax liability of AEP and the affiliated group has been determined by the Internal Revenue Service and paid for all years prior to and including the fiscal year ended December 31, 1964.

(m) Lessee has not taken and will not take prior to each Delivery Date any action that would entitle Lessee to the status of "first user" with respect to any Item of Equipment within the meaning of the Internal Revenue Code of 1954, as amended (the "Code"), and the regulations issued thereunder.

(n) The financial statements of Lessee (copies of which have been furnished to Lessor) fairly present Lessee's financial condition and the results of its operations as of the date of and for the period covered by such statements, and since the date of such statements there has been no material adverse change in such conditions or operations.

(o) No representation or warranty of Lessee contained in this Lease or any written statement or other information furnished by or on behalf of Lessee in connection with the transactions contemplated hereby contains any untrue statement of a material fact.

6. DELIVERY, INSPECTION AND ACCEPTANCE BY LESSEE.

Each Item of the Equipment shall be tendered for delivery to Lessor by Builder at Greenville, Pennsylvania. Such tender shall be deemed to be tender of delivery of each Item of Equipment by Lessor to Lessee hereunder. Upon tender of delivery, an inspector or inspectors designated by Lessee will inspect each Item of Equipment and, if the same is found to be in good order and in compliance with the provisions of the Purchase Order, will accept delivery of the same and will execute and deliver to Lessor a Certificate of Delivery with respect to such Item of Equipment (in substantially the form attached hereto as Exhibit No. 2) stating that such Item of Equipment has been inspected and accepted on behalf of Lessee on the date of such certificate and each Item of Equipment is marked in accordance with Section 7 hereof; whereupon, the same shall be deemed to have been delivered to and finally accepted by Lessee pursuant to this Lease and shall be subject thereafter to all of the terms and conditions of this Lease.

The date on which such Certificate of Delivery with respect to an Item of Equipment is executed by the inspector or inspectors designated by Lessee shall be the Delivery Date with respect to such Item of Equipment.

Lessee shall notify in writing or by telephone (promptly confirmed in writing), Lessor and the Trustor of the date on which the final Item of Equipment is to be tendered for delivery (which shall be not less than three (3) business days after such notice). On the date of the final Delivery Date with respect to any Item of Equipment, Lessee shall deliver to Lessor a certificate (substantially in the form attached hereto as Exhibit No. 3; the "Certificate of Cost") executed by an officer of Lessee, setting forth the Purchase Price of each Item of Equipment accepted on each Delivery Date. The Purchase Price of each Item of Equipment shall be calculated as the unit base price set forth in Schedule A hereto or such lower or higher amount as may be invoiced by the Builder and approved by Lessee on each Delivery Date, and charges for inspection.

Lessor shall not be liable for loss or damage occasioned by any cause, circumstance or event of whatsoever nature, including, but not limited to, failure of or delay in delivery, delivery to wrong place, delivery of improper equipment or property other than the Equipment, damage to the Equipment, governmental regulations, strike, embargo or other cause, circumstance or event, whether of like or unlike nature.

In the event that Lessee shall, for reasonable cause, refuse to accept any Item of Equipment, (i) Lessee will thereupon be assigned all rights and shall assume all obligations as purchaser of such Item of Equipment and will indemnify and hold Lessor harmless from and against any and all claims of the Builder or any other person in connection with the purchase thereof; and (ii) Lessee shall have all rights as the purchaser of such Item of Equipment and be entitled to pursue any and all remedies which may be available against the Builder or any other person for any failure or breach in connection with the manufacture and delivery of such Item of Equipment.

7. IDENTIFICATION OF EQUIPMENT. Lessee will, at its own cost and expense, cause each Item of Equipment to be kept numbered with the appropriate road number as set forth in Schedule A hereto, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Item of Equipment, in letters not less than one

(1) inch in height, the name of Lessor followed by the legend "Trustee, Owner-Lessor", with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect Lessor's title to and property in such Item of Equipment and the rights of Lessor under this Lease. Lessee will not place any Item of Equipment in operation or exercise any control or dominion over the same until such name and words shall have been so marked on both sides thereof and will replace promptly any such name and words which may be removed, defaced or destroyed. Lessee will not change the road number of any Item of Equipment except in accordance with a statement of new number or numbers to be substituted therefor, which statement previously shall have been filed with Lessor and filed, recorded and deposited by Lessee in all public offices where this Lease shall have been filed, recorded and deposited. Except as provided above in this Section, Lessee will not allow the name of any person, association or corporation to be placed on any Item of Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that Lessee may allow the Equipment to be lettered with the names or initials or other insignia customarily used by Lessee or its affiliates on railroad equipment used by them of the same or a similar type for convenience of identification of their rights to use the Equipment as permitted under this Lease.

8. USE AND MAINTENANCE.

(a) Use. Lessee shall cause the Equipment to be used in a careful and proper manner.

Lessee shall be entitled to the possession of the Equipment and to the use of the Equipment upon and subject to all the terms and conditions of this Lease; provided, however, that Lessee shall not use, assign, or sublease the Equipment or any Item of Equipment except as permitted by Section 21 hereof, nor permit the use, assignment or sublease of the Equipment or any Item of Equipment to service involving the operation or maintenance thereof outside the United States of America.

(b) Compliance with Rules. Lessee agrees to comply in all respects (including, but without limitation, with respect to the use, maintenance and operation of each Item of Equipment) with all laws of jurisdictions in which its operations involving the Equipment may extend, with the interchange rules of the Association of American Railroads and with all rules of the Public Service Commission of Indiana, the Department of Transportation, the Interstate Commerce Commission and any other legislative, executive,

administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws and rules affect the title, operation or use of the Equipment, and in the event that such laws or rules require any alteration of any Item of Equipment, or in the event that any equipment or appliance on any Item of Equipment shall be required to be changed or replaced, or in the event that any additional or other equipment or appliance is required to be installed on any such Item of Equipment in order to comply with such laws or rules, Lessee will make such alterations, changes, replacements and additions at its own expense; provided, however, that Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not adversely affect the property or rights of Lessor under this Lease.

(c) Maintenance. Lessee, at its own expense, will keep and maintain, or cause to be kept and maintained, the Equipment in as good operating condition as when delivered to Lessee hereunder, ordinary wear and tear resulting from proper use thereof alone excepted, and will provide all maintenance and service and make all repairs necessary for such purpose.

In addition, if any parts or accessories comprising a portion of an Item of Equipment shall from time to time become worn out, lost, destroyed, damaged beyond repair or otherwise permanently rendered unfit for use, Lessee, at its own expense, will within a reasonable time replace such parts or accessories, or cause the same to be replaced, by replacement parts or accessories which are free and clear of all liens, encumbrances or rights of others and have a value or utility and remaining useful life at least equal to the parts or accessories replaced. All equipment, accessories, parts and replacements for or which are added to or become attached to any Item of Equipment shall immediately become the property of Lessor, and shall be deemed incorporated in the Equipment and subject to the terms of this Lease as if originally leased hereunder. Lessee shall not make any material alterations to any Item of Equipment (except as may be required in sub-part (b) hereof) without the prior written consent of Lessor, which consent shall not be unreasonably withheld.

Upon reasonable advance notice, Lessor shall have the right to inspect any Item of Equipment at any reasonable time and place.

9. DISCLAIMER OF WARRANTIES. LESSOR, NOT BEING THE MANUFACTURER OF THE EQUIPMENT, NOR THE MANUFACTURER'S AGENT,

MAKES TO LESSEE NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO: THE FITNESS FOR USE, DESIGN OR CONDITION OF THE EQUIPMENT. THE QUALITY OR CAPACITY OF THE EQUIPMENT: THE WORKMANSHIP IN THE EQUIPMENT; THAT THE EQUIPMENT WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; AND ANY GUARANTY OR WARRANTY AGAINST PATENT INFRINGEMENT OR LATENT DEFECTS, it being agreed that all such risks, as between Lessor and Lessee and their respective successors and assigns, are to be borne by Lessee. Lessor is not responsible or liable for any direct, indirect, incidental or consequential damage to or losses resulting from the operation or use of the Equipment. All warranties, guarantees, indemnities and servicing agreements made by the Builder to Lessor are hereby assigned to Lessee for and during the term of this Lease (unless Default shall have occurred pursuant to Section 20 hereof) together with any other rights Lessor may have against the Builder, and Lessee agrees to settle all such claims directly with the Builder. Any such claim shall not affect in any manner the unconditional obligation of Lessee to make rent payments hereunder.

10. FEES AND TAXES.

(a) Payment by Lessee. To the extent permitted by law, Lessee shall file any necessary report for, and shall pay promptly when due, as additional rent, and shall otherwise be liable to reimburse Lessor for, and agrees to indemnify and hold Lessor harmless from, all titling, filing, recordation and other fees (including, but without limiting the generality thereof, any such fees required to effect compliance with any provisions of the Interstate Commerce Act or any rules and regulations thereunder), taxes (including, but without limiting the generality thereof, sales, use, excise, personal property, franchise or other taxes), assessments and all other charges or withholdings of any nature (together with any penalties, fines or interest thereon), arising at any time prior to or during the term of this Lease, or upon the return of the Equipment to Lessor, upon or relating to the Equipment or this Lease or with respect to the acquisition, ownership, use, operation, leasing, delivery, return or other disposition of the Equipment, or upon the rentals payable hereunder, whether the same be assessed to Lessor or Lessee. Lessor shall return and pay, subject to reimbursement by Lessee, any such tax or other imposition which Lessee is not permitted by law to report for and pay. With respect to any such tax reported and paid by Lessor, Lessee agrees to furnish to

Lessor any information or data relating to the Equipment which is necessary or appropriate for filing the return and which is known to Lessee.

(b) Limitation. Notwithstanding the foregoing sub-part (a), Lessee shall be obligated to pay or to reimburse Lessor for any franchise tax on Lessor's capital stock or net worth only to the extent that such tax arises under this Lease, and Lessee shall not be obligated to pay or reimburse Lessor for any tax imposed upon or measured by Lessor's net income, unless and only to the extent that, under applicable law or related regulations or rulings, it can be reasonably established that such taxes are in substitution for or relieve Lessee from the payment of any taxes which otherwise would be required to be paid or reimbursed by Lessee pursuant to such sub-part (a) and which are not franchise taxes referred to above or taxes on or measured by net income.

(c) Contest and refund. If claim is made against Lessor by a taxing jurisdiction for any tax or other imposition described in sub-part (a), or in sub-part (b) which Lessee is to pay or for which it is to make reimbursement, Lessor shall give Lessee prompt notice thereof. Lessee shall in good faith determine whether such tax or other imposition is to be contested, and if the decision to contest is made, Lessor and Lessee shall with due diligence and at Lessee's expense, contest (or Lessee shall be permitted to contest in the name of Lessor) the validity, applicability or amount of such tax or other imposition, by any one or more of the following (i) resisting payment thereof if practicable, (ii) not paying the same except under protest, if protest is necessary and proper, or (iii) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative and judicial proceedings. Lessor agrees fully to cooperate with Lessee in any such contest, and Lessee agrees promptly to indemnify Lessor for all reasonable expenses incurred by Lessor in the course of such cooperation. A claim for tax or other imposition shall be paid, subject to refund proceedings, if failure to pay would adversely affect the title, property or rights of Lessor hereunder. If Lessor shall obtain a refund of any such tax or imposition which has been paid (by Lessee or for which Lessor has been reimbursed by Lessee), Lessor shall pay to Lessee, within fifteen (15) days after the receipt thereof, the amount of such refund together with any interest thereon received by Lessor. If such refund is not paid to Lessee by Lessor within the fifteen (15) day period, then Lessee may collect, and Lessor agrees to pay, the amount of such refund together with interest thereon at the rate specified in Section 23 hereof, from the date of receipt

of such refund by Lessor. With respect to a claimed tax or other imposition which has not been paid pursuant to this sub-part (c), Lessee shall not be deemed to be in default under sub-part (a) so long as it shall be diligently prosecuting a contest with respect thereto in good faith by appropriate proceedings, and in accordance with the provisions hereof.

(d) Lessor's Option to Pay. If Lessee fails to pay when due any tax or other imposition payable by it under sub-part (a), Lessor at its option may do so, in which event the amount so paid (including any penalty or interest incurred as a result of Lessee's failure), plus interest thereon at the rate specified in Section 23 hereof from the date of payment by Lessor, shall be additional rent which shall be paid by Lessee to Lessor with the next periodic payment of rent.

(e) Lessee's Failure to Pay. If Lessee fails to pay to Lessor the additional rent required pursuant to sub-parts (a) and (d) hereof within fifteen (15) days after written notice from Lessor to Lessee requiring such payment, Lessor may collect, and Lessee hereby agrees to pay, the amount of such additional rent together with interest thereon at the rate specified in Section 23 hereof from the date of initial payment of such amounts by Lessor.

(f) Survival. The obligations of Lessor and Lessee under this Section shall survive the termination of this Lease.

11. TITLE. Title to the Equipment shall at all times remain in Lessor, and Lessee shall have no right, title or interest therein except as Lessee thereof as expressly set forth herein. Lessee will not directly or indirectly create, incur, assume or suffer to exist any lien on or with respect to any Item of Equipment, any part thereof, title thereto or any interest therein, except (i) liens which result from acts of Lessor, (ii) liens for taxes either not yet due or being contested in good faith and by appropriate proceedings so long as such proceedings do not involve any danger of the sale, forfeiture or loss of any Item of Equipment or interest therein or interfere with the payment of rent, (iii) materialmen's, mechanics', workmen's, repairmen's, employees' or other like liens arising in the ordinary course of business, which are not delinquent, or are bonded, or the enforcement of which has been suspended, but then only for the duration of such suspension, (iv) liens arising out of judgments or awards against Lessee which have been bonded or with respect to which at the time an appeal or proceeding for review is being prosecuted in good faith and by appropriate proceedings and with respect to which there shall have been secured a stay of execution

pending such appeal or proceeding for review, and (v) the lien upon Lessee's leasehold interest in this Lease arising under the Mortgage and Deed of Trust. Lessee will promptly, at its own expense, take such action as may be necessary duly to discharge or eliminate or bond in a manner satisfactory to Lessor any such lien not excepted above if the same shall arise at any time. Except for liens expressly permitted by this Section, Lessee will notify Lessor of any lien that shall attach to any Item of Equipment within ten (10) days of the date on which Lessee first has knowledge of the attachment, together with full particulars thereof.

12. INSURANCE.

(a) Insurance. Lessee will, at all times while this Lease is in effect, at its own expense, cause to be carried and maintained programs of insurance with respect to all risks of loss or damage to the Equipment from every cause whatsoever, and public liability, both personal injury and property damage, covering the Equipment, with insurers of recognized responsibility, or self-insurance or risk assumption, in amounts and against risks customarily insured against by Lessee on similar equipment owned or leased by it. Lessor and its successors and assigns, shall be named as additional insureds on any such policies or renewals thereof. Lessee shall pay the premiums therefor and deliver to Lessor the policies of insurance or duplicates thereof, or other evidence satisfactory to Lessor of such insurance. Each insurer shall agree, by endorsement upon the policy or policies issued by it or by independent instrument furnished to Lessor, that it will give Lessor thirty (30) days' prior written notice of the effective date of any alteration or cancellation of such policy. In case of the failure of Lessee to procure or maintain such a program of insurance, Lessor shall have the right, but shall not be obligated, to give written notice to Lessee of such non-compliance and if unremedied within fourteen (14) days after such notice, may effect such insurance on behalf of Lessee, and, in that event, all monies spent by and expenses of Lessor in effecting such insurance plus interest thereon at the rate specified in Section 23 hereof shall be deemed to be additional rent, and shall be paid by Lessee to Lessor with the next periodic payment of rent.

(b) Application of Payments. Unless an Event of Default (as defined in Section 20 hereof) (or an event which

after lapse of time or giving of notice, or both, would become an Event of Default) shall then have occurred and be continuing, any insurance proceeds or condemnation or other payments received by Lessor in respect of an Item of Equipment suffering a Casualty Occurrence shall be applied as follows:

(a) if Lessee has elected alternative (i) of Section 13(b), such proceeds or payments shall be held by Lessor until the action required by Section 13(b)(i) has been completed and thereupon shall be paid to Lessee, up to an amount equal to the Stipulated Loss Value of the Item of Equipment suffering such Casualty Occurrence; or

(b) if Lessee has elected alternative (ii) of Section 13(b), such proceeds or payments shall be applied as a deduction from the amounts payable by Lessee to Lessor in respect of such Casualty Occurrence or, if received after Lessee has made such payments, to Lessee in reimbursement thereof.

Any such proceeds or payments in excess of the Stipulated Loss Value of any Item of Equipment suffering a Casualty Occurrence shall remain the property of Lessor.

13. LOSS AND DAMAGE; CASUALTY OCCURRENCE.

(a) Loss and Damage. As between Lessor and Lessee and their respective successors and assigns, Lessee hereby assumes and shall bear the entire risk of direct and consequential loss and damage to the Equipment from any and every cause whatsoever. Except as provided in this Section for discharge upon payment of Stipulated Loss Value, no loss or damage to any Item of Equipment shall release or impair any obligations of Lessee under this Lease, which shall continue in full force and effect and shall be absolute during the term hereof. Lessee agrees that Lessor shall not incur any liability to Lessee for any loss of business, loss of profits, expenses, or any other damages resulting to Lessee by reason of any delay in delivery or any delay caused by any non-performance, defective performance, or breakdown of the Equipment or any Item of Equipment, nor shall Lessor at any time be responsible for personal injury or the loss or destruction of any other property resulting from the Equipment. In the event of loss or damage to any Item of Equipment (other than as hereinafter defined as a "Casualty Occurrence"), Lessee shall, at Lessee's expense, promptly place the same in good repair, condition and working order.

(b) Casualty Occurrence. In the event that any Item of Equipment shall have become worn-out, lost, stolen, destroyed or irreparably damaged, from any cause whatsoever, or taken, requisitioned by condemnation or otherwise permanently appropriated to the public use by any duly authorized governmental authority including, without limitation, subject to mandatory allocation pursuant to 49 U.S.C. Sections 1(12), (15) (any such occurrence being herein referred to as a "Casualty Occurrence") during the term of this Lease, Lessee shall give full and prompt notice thereof to Lessor, which notice shall inform Lessor as to Lessee's election of one of the following alternatives:

(1) Within one hundred twenty (120) days after the Casualty Occurrence, Lessee shall duly convey to Lessor as replacement for such Item of Equipment title to another Item of Equipment of the same type and quality, free and clear of all liens, encumbrances or rights of others whatsoever and having a value and utility at least equal to, and being in as good operating condition as, the Item of Equipment with respect to which such Casualty Occurrence happened was required to be by the terms of this Lease immediately prior to the happening of such Casualty Occurrence; and, upon such conveyance, Lessee, at its own expense, will promptly (1) furnish Lessor with a bill of sale, in form and substance satisfactory to Lessor, with respect to such replacement Item of Equipment, (2) execute a Certificate of Delivery with respect to such replacement unit, in form satisfactory to Lessor, and deliver the same to Lessor, (3) furnish Lessor with such evidence of title to such replacement Item of Equipment (including, if requested, an opinion of Lessee's counsel) and of the condition of such replacement Item of Equipment as Lessor may reasonably request, (4) furnish Lessor with an opinion of Lessee's counsel that such action has been taken with respect to the registration, deposit, recording and filing, including, but without limitation, filing and recording with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act, of all such documents as are necessary or advisable to establish and perfect Lessor's title to and interest in such replacement Item of Equipment and reciting the details of such action, if not previously set forth, or stating that no such action is necessary for such purposes, (5) furnish Lessor with evidence of the registration, deposit, recording and filing (if any) specified in the opinion of Lessee's counsel furnished Lessor pursuant to the preceding clause (4), and (6) take such

other action as Lessor may reasonably request in order that such replacement Item of Equipment be duly and properly titled in Lessor and leased hereunder to the same extent as the Item of Equipment replaced thereby. Upon full compliance by Lessee with the terms of this subparagraph (i), Lessor will execute and deliver the Certificate of Delivery with respect to such replacement Item of Equipment and transfer to Lessee, without warranty (except as to Lessor's own acts), all Lessor's right, title and interest, if any, in and to the Item of Equipment with respect to which such Casualty Occurrence happened. Thenceforth for all purposes of this Lease, each such replacement Item of Equipment shall be deemed an Item of Equipment as defined herein; or

(ii) On the next date for the payment of rent succeeding such Casualty Occurrence, Lessee shall pay to Lessor all rent with respect to such Item of Equipment due and unpaid prior to such date for the payment of rent, plus the greater of: (x) the Stipulated Loss Value (as hereinafter defined); or (y) the Fair Market Value; of the Item of Equipment with respect to which the Casualty Occurrence has occurred. "Stipulated Loss Value" for an Item of Equipment as of any rent payment date shall equal the product of the Purchase Price of such Item of Equipment and the percentage specified for such rent payment date in Schedule B attached hereto.

If the parties are unable to agree on the Fair Market Value of the Equipment, then such value shall be determined as hereinafter provided and such Fair Market Value shall be binding on the parties hereto. Fair Market Value shall be determined by an independent railroad equipment appraiser mutually acceptable to Lessor and Lessee, whose expenses and fees shall be borne by Lessee. If the parties are unable to agree upon such a mutually acceptable appraiser, Lessor and Lessee, at their own expense, shall each select an independent railroad equipment appraiser and the value agreed upon by such two appraisers shall be the Fair Market Value. If such two appraisers are unable to agree upon the Fair Market Value, they shall select a third independent railroad equipment appraiser, whose expenses and fees shall be borne equally by Lessor and Lessee, and the average Fair Market Value as determined by such three appraisers shall be binding on the parties hereto.

Upon making such payment in respect of any Item of Equipment, this Lease shall terminate with respect

to such Item of Equipment so paid for and Lessee thereupon shall become entitled thereto as is where is without warranty, express or implied, with respect to any matter whatsoever.

(c) No Release; Rent to Continue. Except as hereinabove in this Section provided, Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Item of Equipment after delivery to and acceptance thereof by Lessee hereunder. Until Lessee shall have fully performed its obligations under either subparagraph (i) or (ii) of sub-part (b) hereof, it shall continue to pay rent as provided in Section 2 hereof with respect to the Item of Equipment involved in the Casualty Occurrence.

14. VOLUNTARY TERMINATION. Unless an Event of Default (or any event which after lapse of time or notice or both would become an Event of Default) shall then have occurred and be continuing, in the event that Lessee shall in its reasonable judgment determine that any Item of Equipment shall have become obsolete or surplus to Lessee's requirements, then Lessee may, at its option, upon not less than one hundred twenty (120) days' prior written notice to Lessor, terminate this Lease with respect to such Item of Equipment so determined to be obsolete or surplus on the rent payment date of the forty-first (41st) installment during the Full Term or on any rent payment date thereafter.

During the period from the giving of such notice until the effective date of termination, Lessee shall use its best efforts to obtain bids for the disposition (whether by sale or lease) of such Item of Equipment. Lessee shall certify to Lessor in writing the amount of each bid received by Lessee and the name and address of the party (who shall not be Lessee) submitting such bid.

Lessor may, but shall be under no duty to, solicit bids or otherwise take any action in connection with arranging such disposition of the Item of Equipment.

From all bids obtained, Lessee may select either a bid for the lease or for the purchase of such Item of Equipment, and Lessor shall accept Lessee's selection; provided, however, that if Lessee has selected a bid for lease, such bid shall satisfy Lessor as to (i) the credit worthiness and financial condition of the bidder, and (ii) the terms of

such lease. If Lessor is not satisfied as to any bid for lease, the Item of Equipment will be sold to the bidder for purchase selected by Lessee.

On the effective date of termination, Lessor shall sell such Item of Equipment or enter into a new lease of such Item of Equipment as herein provided and Lessee shall pay to Lessor, in cash, the amount, if any, by which (i) the proceeds of any such sale (less all reasonable expenses incurred by Lessor in connection with such sale) or the current value of the projected net rentals of any such lease (discounted at the rate of nine (9) per cent), is less than (ii) the Termination Value (as hereinafter defined) of such Item of Equipment as of such date. Any excess of proceeds or current value over the Termination Value shall be to the account of Lessor.

"Termination Value" for an Item of Equipment as of any rent payment date shall equal the product of the Purchase Price of such Item of Equipment and the percentage specified for such rent payment date in Schedule C attached hereto.

15. OPTION TO PURCHASE. Unless an Event of Default (or any event which after lapse of time or notice or both would become an Event of Default) shall then have occurred and be continuing, Lessee shall have the option to purchase, upon the expiration of the Full Term of this Lease, or of any renewal term as provided in Section 16 hereof, any Item of Equipment or all of the Equipment then subject to this Lease upon the following terms and conditions:

If Lessee desires to exercise this option it shall, at least one hundred eighty (180) days before expiration of the term of this Lease then in effect, give Lessor written notice of its election to purchase and shall, upon the expiration of the term of this Lease then in effect, pay to Lessor in cash the option purchase price for the Item of Equipment so purchased, determined as hereinafter provided, against delivery of a bill of sale transferring and assigning to Lessee without recourse or warranty, except in respect of Lessor's acts, all of Lessor's right, title and interest in and to such Item of Equipment, free and clear of liens arising from Lessor's acts. Lessor shall not be required to make and may specifically disclaim any representation or warranty as to the condition of such Item of Equipment or any other matter whatsoever, except as provided in the preceding sentence.

In order to avoid any inadvertent loss of any right to purchase the Equipment as provided in this Section, if

EXHIBIT NO. 1

CORPORATE CERTIFICATE OF RESOLUTIONS

I hereby certify to AMERICAN FLETCHER NATIONAL BANK AND TRUST COMPANY, as Trustee ("Lessor") under that certain Equipment Trust Agreement ("Trust Agreement") dated as of _____, 1975, with the Trustor named therein ("Trustor"), and to the Trustor, that I am the Secretary of INDIANA & MICHIGAN ELECTRIC COMPANY, a corporation of the State of Indiana, and that the following is a true copy of resolutions duly adopted by the Board of Directors of the Corporation on the _____ day of _____, 1975, and further that such resolutions are in conformity with the Charter and By-Laws of the Corporation and are in full force and effect on the date hereof and have not been modified or rescinded:

"RESOLVED, That the form, terms and provisions of the Lease of Railroad Equipment ("Lease") to be entered into by and between this Corporation and Lessor, copies of which have been submitted to this meeting, providing for the leasing of equipment by this Corporation be, and the same hereby are, in all respects approved; and

"FURTHER RESOLVED, That the President and any Vice-President or any other officer of this Corporation be, and each of them hereby is, authorized in the name and on behalf of this Corporation to lease from Lessor, under the terms of said Lease, such equipment as such officer, in his sole discretion, may determine, and for this purpose to execute and deliver in the name and on behalf of this Corporation the Lease in substantially the form submitted to this meeting, with such changes, additions and amendments thereto as shall be approved by the officer who executes the same, and such other agreements, documents and instruments, as such officer may deem proper and advisable in relation thereto, and to do all such other acts and things as may be required to consummate this leasing arrangement"; and

"FURTHER RESOLVED, That the Secretary of this Corporation is authorized and directed to deliver and certify to Lessor and Trustor a certified copy of these resolutions and that the same are in conformity with the Charter and By-Laws of this Corporation."

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this Corporation this _____ day of _____, 1975.

EXHIBIT
(NOT FOR EXECUTION)
Secretary _____

(Corporate Seal)

EXHIBIT NO. 2

CERTIFICATE OF DELIVERY

Under Lease of Railroad Equipment dated as of _____
_____, 1975 (the "Lease")

The undersigned, being the duly authorized representatives of AMERICAN FLETCHER NATIONAL BANK AND TRUST COMPANY, Trustee (the "Lessor"), and INDIANA & MICHIGAN ELECTRIC COMPANY (the "Lessee"), hereby certify that the following units of railroad equipment, referred to in the Lease between Lessor and Lessee,

100-TON TRIPLE HOPPER
COAL CARS

<u>Quantity</u>	<u>Lessee's Road Numbers</u> <u>(Inclusive)</u>	<u>Acceptance</u> <u>Date</u>
_____	AEPX- _____ to AEPX- _____	_____, 1975

have been duly delivered to Lessor in good order and duly inspected and accepted by the undersigned on the date shown above on behalf of Lessor, and have thereby been duly delivered by Lessor to Lessee and have been duly inspected and accepted by the undersigned on said date on behalf of Lessee as conforming in all respects to the requirements and provisions of the Lease.

The undersigned further CERTIFY that at the time of its delivery to Lessor and Lessee each unit of railroad equipment covered by this Certificate was properly marked on each side thereof with the following legend:

AMERICAN FLETCHER NATIONAL BANK AND TRUST COMPANY:
TRUSTEE, OWNER-LESSOR

EXHIBIT
(NOT FOR EXECUTION)

Duly Authorized Representatives
of AMERICAN FLETCHER NATIONAL
BANK AND TRUST COMPANY, Trustee,
and INDIANA & MICHIGAN ELECTRIC
COMPANY

EXHIBIT NO. 3

CERTIFICATE OF COST

Indiana & Michigan Electric Company hereby certifies that the Purchase Price of each Item of Equipment leased under a Lease of Railroad Equipment dated _____, 1975, between American Fletcher National Bank and Trust Company, as Trustee, as lessor, and Indiana & Michigan Electric Company, as lessee (the "Lessee"), is the amount invoiced by Greenville Steel Car Company (the "Builder"), which invoice is approved by Lessee and a copy of which is attached hereto, plus the Inspection Fee specified below, to be paid to Burlington & Northern Railroad upon receipt of an appropriate invoice.

Builder's Invoice \$ _____/Item of Equipment

Inspection Fee \$26.00/Item of Equipment

Total Purchase Price
of Equipment covered
by this Certificate \$ _____

INDIANA & MICHIGAN ELECTRIC COMPANY
Lessee

By: _____

G. P. _____
Vice President

EXHIBIT
(NOT FOR EXECUTION)

FINANCE AGREEMENT

Dated as of _____ 1975

Among

MARYLAND NATIONAL BANK,

Trustor

MARYLAND NATIONAL LEASING CORPORATION,

Interim Participant

PACIFIC MUTUAL LIFE INSURANCE COMPANY,

Loan Participant

and

AMERICAN FLETCHER NATIONAL BANK AND TRUST COMPANY,

Trustee

127 One Hundred-Ton Steel Triple

Hopper Coal Cars

FINANCE AGREEMENT

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FINANCE AGREEMENT dated as of _____, 1975 among MARYLAND NATIONAL BANK, a national banking association ("Trustor"), MARYLAND NATIONAL LEASING CORPORATION, a Maryland corporation ("Interim Participant"), PACIFIC MUTUAL LIFE INSURANCE COMPANY, a California corporation ("Loan Participant"; together with the Trustor and the Interim Participant, "Participants") and AMERICAN FLETCHER NATIONAL BANK AND TRUST COMPANY, a national banking association, as Trustee ("Trustee") under an Equipment Trust Agreement dated as of _____, 1975 between the Trustor and the Trustee ("Trust Agreement").

All terms used herein which are not herein defined shall have the meanings specified in the Trust Agreement or the Lease of Railroad Equipment ("Lease") dated as of _____, 1975 between the Trustee, as lessor, and Indiana & Michigan Electric Company, as lessee ("Lessee").

SECTION 1. Loans. On the First Closing Date, the Trustor will make an investment in the beneficial ownership of the Equipment in the amount of the Trustor's Commitment. Subject to the terms and conditions of this Agreement, (a) on the Second Closing Date the Interim Participant agrees to make an interim loan to the Trustee, repayable in accordance with the terms of the Trust Agreement, in the amount of the Interim Participant's Commitment and (b) on the Third Closing Date, the Loan Participant agrees to make a loan to the Trustee, repayable in accordance with the terms of the Trust Agreement, in the amount of the Loan Participant's Commitment.

The principal amount of the loan made by the Interim Participant shall be evidenced by an Interim Equipment Trust Certificate in the principal amount of such loan, dated the Closing Date and otherwise as provided in Article III of the Trust Agreement. The principal amount of the loan made by the Loan Participant shall be evidenced by an Equipment Trust Certificate in the principal amount of such loan, dated the Second Closing Date and otherwise as provided in Article III of the Trust Agreement.

SECTION 2. Closing Dates. (a) The Trustor agrees to give the Interim Participant and the Trustee at least ten (10) business days' telegraphic or telephonic (promptly confirmed in writing) notice of the Second Closing Date. On or before 1:00 P.M., Indianapolis time, on the Second Closing Date, the Interim Participant will, subject to the terms and conditions of this Agreement, make the amount of its Commitment available to the Trustee at its Corporate Trust Department at 101 Monument Circle, Indianapolis, Indiana, in Federal funds.

Lessee shall fail to give timely notice of its election of any such right unless Lessee shall have given affirmative disavowal of such right, Lessee's right to purchase shall nevertheless continue as shall the term of Lease then in effect (under the same terms and conditions as theretofore in effect) until ten (10) days after Lessor shall have given to Lessee written notice of the non-receipt of such timely notice. Lessee may exercise its right to purchase at any time until the expiration of such ten (10) day period by giving Lessor written notice of its election to purchase, which such notice shall have the same force and effect as hereinabove provided without other action by Lessor or Lessee, the same as if such notice had been timely given by Lessee. If Lessee fails to exercise its right to purchase within such ten (10) day period, the term of Lease then in effect upon the expiration of such ten (10) day period shall continue under the same terms and conditions as theretofore in effect for one hundred eighty (180) days.

The option purchase price of such Item of Equipment shall be an amount equal to its then Fair Market Value. If the parties are unable to agree on the Fair Market Value of the Item of Equipment, then such value shall be determined as provided in Section 13(b) hereof.

Notwithstanding any election of Lessee to purchase, all provisions of this Lease, including without limitation those with regard to payment of rent and Stipulated Loss Value and Termination Value provided herein, shall continue in full force and effect until the date of purchase and the passage of ownership of the Item of Equipment upon the date of purchase.

16. OPTION TO RENEW. Unless an Event of Default (or any event which after lapse of time or notice or both would become an Event of Default) shall then have occurred and be continuing, Lessee shall have the option to renew this Lease, at the expiration of the Full Term of this Lease, or of any renewal term as herein provided (subject to the limitation hereinafter set forth), with respect to any Item of Equipment or all of the Equipment, on the terms and conditions of this Lease, for a maximum of three (3) renewal terms of five (5) years each, at a negotiated rent based on the Fair Market Rental Value of such Item of Equipment determined at the time or renewal.

If the parties are unable to agree on the Fair Market Rental Value of the Equipment then such value shall be determined as provided in Section 13(b) hereof.

If Lessee desires to exercise this option it shall, at least one hundred eighty (180) days before expiration of the

term of this Lease then in effect, give Lessor written notice of its election to renew; and shall engage in negotiations with Lessor to determine the rent to be paid during such renewal term. In order to avoid any inadvertent loss of any right to renew this Lease as provided in this Section, if Lessee shall fail to give timely notice of its election of any such right unless Lessee shall have given affirmative disavowal of such right, Lessee's right to renew shall nevertheless continue as shall the term of Lease then in effect (under the same terms and conditions as theretofore in effect) until ten (10) days after Lessor shall have given to Lessee written notice of the non-receipt of such timely notice. Lessee may exercise its right to renew at any time until the expiration of such ten (10) day period by giving Lessor written notice of its election to renew, whereupon this Lease shall be renewed as hereinabove provided without other action by Lessor or Lessee, the same as if such notice had been timely given by Lessee. If Lessee fails to exercise its right to renew within such ten (10) day period, the term of Lease then in effect upon the expiration of such ten (10) day period shall continue under the same terms and conditions as therefore in effect for one hundred eighty (180) days.

17. REDELIVERY.

(a) First Redelivery Period. Within forty-five (45) days after the expiration or earlier termination of the Full Term of this Lease (or of any renewal term as provided in Section 16 hereof) with respect to each Item of Equipment (the "First Redelivery Period"), Lessee shall (subject to Section 15 hereof), at its own expense, deliver possession of each Item of Equipment as to which such expiration or earlier termination shall then have occurred to Lessor upon such storage tracks as Lessee may designate, or, in the absence of such designation, as Lessor may select, and secure for Lessor storage rights for the Equipment on such tracks for a period not exceeding forty-five (45) days after the completion of delivery of each Item of Equipment as herein required, and Lessee will transport the same, at any time within such period, to the nearest carrier for shipment, all as directed by Lessor; such movement to the nearest carrier and storage of the Equipment to be at the expense and risk of Lessee.

(b) Delayed Redelivery. If Lessee is unable, for reasons beyond its reasonable control, to deliver possession of each Item of Equipment as herein required during the First Redelivery Period with respect to such Item of Equipment, then Lessee shall have an additional forty-five (45) day period within which to deliver possession of each Item

of Equipment as herein required. Lessor may collect at reasonable intervals, and Lessee hereby agrees to pay, additional rent for each Item of Equipment the possession of which is not delivered during the First Redelivery Period, calculated as .033928% of the Purchase Price of such Item of Equipment per day for each day from the date on which such duty to redeliver initially arose until the date on which possession is delivered as herein required.

(c) General. During any storage period, Lessee will permit Lessor or any person designated by Lessor, including the authorized representative or representatives of any prospective purchaser of any Item of Equipment, to inspect the same; provided, however, that Lessee shall not be liable, except in the case of the negligence of Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of Lessor or any prospective purchaser, the rights of inspection granted under this sentence. The delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Lease and, upon application to any court of equity having jurisdiction in the premises, Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee so to deliver, store and transport the Equipment.

(d) Condition upon Redelivery. Upon such redelivery, the Equipment shall be in the same condition as when delivered to Lessee hereunder, ordinary wear and tear resulting from proper use thereof alone excepted. In the event that repairs are made necessary to place the Equipment in the condition required in this sub-part (d), Lessee agrees to pay the reasonable cost of such repairs and further agrees to pay Lessor rent for the period of time reasonably necessary to accomplish such repairs, calculated as set forth in sub-part (b) hereof.

(e) Free and Clear of Liens. Upon such redelivery, the Equipment shall be free and clear of all liens, encumbrances or rights of others whatsoever except: (x) liens or encumbrances resulting from claims against Lessor not relating to the ownership of such Equipment; or (y) liens for taxes either not yet due or being contested in good faith and by appropriate proceedings, which have been bonded or otherwise secured by Lessee at its expense in a manner satisfactory to Lessor.

18. INTENT. It is the express intent of the parties that this agreement constitute a lease and in no event shall

this agreement be construed as a sale of the Equipment. The estimated useful life of each Item of Equipment exceeds the lease term provided herein by four (4) years or more and each Item of Equipment will have a residual value of at least twenty (20) per cent of the Purchase Price of such Item of Equipment (all as evidenced by the certificate of a qualified appraiser to be provided at Lessee's expense to Lessor prior to the commencement of the lease term). Lessee acknowledges that the Equipment leased hereunder is new equipment and shall not have been used or placed into operation by Lessee for its intended purposes prior to the execution and delivery of the Certificate of Delivery, and, further, that by virtue of this Lease, Lessee shall acquire no ownership, title, property, right, or interest (or any option therefor other than as may be expressly provided in Section 15 hereof) in the Equipment other than its leasehold interest solely as Lessee subject to all the terms and conditions hereof.

19. INDEMNIFICATION.

(a) General Indemnity. Lessee hereby assumes and agrees to indemnify, protect, save and keep harmless Lessor, Trustor, their successors and assigns, and their agents and employees, from and against any and all losses, damages, injuries, claims, demands and expenses, including legal expenses, of whatsoever kind and nature, arising on account of the ordering, acquisition, delivery or rejection of the Equipment (except to the extent that such costs are included in the Purchase Price of any Item of Equipment), the possession, maintenance, use, conditions (including without limitation, latent and other defects and whether or not discoverable by Lessor or Lessee, and any claim in tort for strict liability) or operation of any Item of Equipment, and by whomsoever used or operated, during the term of this Lease with respect to that Item of Equipment, the loss, damage, destruction, removal, return, storage, surrender, sale or other disposition of any Item of Equipment, except where occasioned by a breach of a duty or obligation of Lessor. It is understood and agreed, however, that Lessor shall give Lessee prompt notice of any claim or liability hereby indemnified against and that Lessee shall be entitled to control the defense thereof.

(b) Indemnity for Failure to Obtain Investment Tax Credit. If Lessor (as used in sub-parts (b)-(g) of this Section 19, such term shall be deemed to include both Lessor and Trustor) shall either lose, or shall not have, or shall lose the right to claim, or there shall be disallowed or

recaptured (other than as a result of an event as to which Lessee has paid Stipulated Loss Value) for federal or, if applicable, state income tax purposes any or all of the investment tax credit provided for in Sections 38 and 46 through 50 of the Code with respect to any Item of Equipment (such loss, inability to claim, disallowance or recapture being hereinafter called "Loss"), Lessee shall, subject to the provisions of sub-part (e) of this Section, within thirty (30) days after receipt of notification by Lessor of such Loss and written demand by Lessor for payment thereof (such date of receipt of notification is hereinafter referred to as the "Notice Date") (but not prior to payment by Lessor of the additional federal or state income tax arising from such Loss), pay Lessor as additional rent an amount which, after deduction of all taxes required to be paid by Lessor in respect of the receipt thereof under the laws of any governmental or taxing authority in the United States, shall be equal to the additional income taxes paid or payable by Lessor in consequence of such Loss, together with the amount of any interest (including any additional tax) or penalty which may be payable by Lessor in connection with such Loss.

(c) Indemnity for Failure to Obtain Accelerated Depreciation. If Lessor in computing its taxable income shall either lose, or shall not have, or shall lose the right to claim, or there shall be disallowed or recaptured (other than as the result of an event as to which Lessee has paid Stipulated Loss Value) for federal or state income tax purposes, in whole or in part, the allowance for depreciation with respect to any Item of Equipment in accordance with an accelerated method or methods referred to in Section 167(b) of the Code, including use of the Class Life Asset Depreciation Range System under Section 167(m) of the Code and Treas. Reg. §1.167(a)-11, and the shortest life for Asset Guideline Class 00.25 in Rev. Proc. 72-10, 1972-1 C.B., 721 ("Loss"), Lessee shall, subject to the provisions of sub-part (e) of this Section, pay to Lessor as additional rent, within thirty (30) days after receipt of notification from Lessor of such Loss and of written demand by Lessor for payment thereof (such date of receipt of notification is hereinafter referred to as the "Notice Date") (but not prior to payment by Lessor of the additional federal or state income tax arising from such Loss), an amount which, after deduction of all taxes required to be paid by Lessor in respect of the receipt thereof under the laws of any governmental or taxing authority in the United States, shall be equal to the additional income taxes paid or payable by Lessor for the period up to the payment by Lessor of such

additional taxes, together with the amount of any interest (including any addition to tax) or penalty which may be payable by Lessor in connection with such Loss. With respect to depreciation deductions for the period after such payment of additional income taxes by Lessor, the periodic rent payments shall be so adjusted that (with the assumption that Lessor will have sufficient taxable income fully to utilize the depreciation allowances contemplated in the preceding sentence of this sub-part (c)), Lessor will have the same taxable income in respect of the Equipment and this Lease as if Lessor had been allowed the depreciable life and depreciation method or methods referred to in such preceding sentence.

(d) Contest and Refund. If the Internal Revenue Service or state taxing authorities shall propose an adjustment in the income taxes of Lessor for which Lessee would be required to make additional rental payments under sub-parts (b) and (c) of this Section, Lessor shall give prompt notice, thereof to Lessee and, if requested in writing by Lessee, Lessor shall contest such disallowance or recapture with counsel of Lessee's choosing and at Lessee's sole expense. If it is decided that such claimed tax, together with any interest or penalty thereon, is to be paid by Lessor (with reimbursement of such amount to Lessor by Lessee within fifteen (15) days after payment by Lessor) and suit brought for refund, and Lessor receives a refund, Lessor shall, within fifteen (15) days after receipt thereof, pay to Lessee the total amount of such refund, together with any interest thereon paid by the taxing jurisdiction. If such reimbursement by Lessee, or payment of refund by Lessor, is not made within the fifteen (15) day period, then the appropriate party may collect, and the corresponding party agrees to pay, the amount of such reimbursement or refund together with interest thereon at the rate specified in Section 23 hereof, from the date of payment by Lessor or receipt of refund by Lessor, as may be applicable.

(e) Limitations. Lessee shall not be required to make any payment of additional rent for Loss of investment tax credit or of depreciation deductions due solely to any one or more of the following: (1) limitation on the amount of investment credit allowable due to lack of available income tax liability of Lessor or the affiliated group of which Lessor is a member, (2) the failure of Lessor or the affiliated group of which Lessor is a member to have in the current taxable year sufficient taxable income before deduction of depreciation allowances with respect to the Equipment to offset the full amount or any of such depre-

ciation allowances, (3) Lessor's failure timely or properly to claim investment credit or depreciation for any Item of Equipment in Lessor's income tax return, (4) Lessor's failure to take timely action with respect to a contest of Loss of investment credit or depreciation deduction if Lessor shall have been requested in writing by Lessee to take such action, (5) sale of any Item of Equipment or assignment of this Lease (otherwise than merely as security) by Lessor prior to any Default by Lessee, or (6) any change in or modification of the Code or state tax law other than changes or modifications affecting the amount of investment credit allowable before limitation or the computation of depreciation deductions. If any change in or modification of the Code or state tax law increases, with respect to any Item of Equipment, the amount of investment credit available to Lessor under present law, or authorizes depreciation deductions more favorable to Lessor than those contemplated in sub-part (c) of this Section, future periodic rent payments shall be so adjusted that Lessor will have the same taxable income in respect of any Item of Equipment and this Lease as contemplated under the present provisions of law with respect to the investment credit and depreciation allowances.

(f) Option of Lessee Upon Loss. If such Loss as provided in sub-parts (b) and (c) of this Section shall have occurred during the term of this Lease at any time after the fortieth (40th) rent payment date, then, unless an Event of Default (or any event which after lapse of time or notice or both would become an Event of Default) shall have occurred and be continuing, Lessee shall have an option to purchase all but not less than all of the Equipment subject to this Lease at and for a total purchase price equal to the greater of: (x) Stipulated Loss Value, or (y) the Fair Market Value (determined as provided in Section 15 hereof), of each Item of Equipment as of the rent payment date next succeeding the receipt by Lessor of the purchase price, upon the following terms and conditions:

(i) If Lessee desires to exercise this option it shall, within thirty (30) days after the Notice Date, give Lessor written notice of its election to purchase; and

(ii) Within sixty (60) days after the Notice Date, Lessee shall pay to Lessor in cash the purchase price for the Equipment so purchased, determined as provided above, and upon receipt of such payment in full, this Lease shall terminate and Lessor will transfer to Lessee, without

warranty (except as to Lessor's own acts), all Lessor's right, title and interest, if any, in and to the Equipment.

(iii) Notwithstanding any election of Lessee to purchase, the provisions with regard to payment of rent and Loss and Damage provided in this Lease shall continue in full force and effect until the date of purchase and the passage of ownership of the Equipment.

(g) Survival. The obligations of Lessor and Lessee under this Section shall survive the termination of this Lease.

20. DEFAULT; REMEDIES. If (a) Lessee shall fail to make any payment of Stipulated Loss Value or Termination Value when due, or any payment of rent when due and fails to cure such non-payment of rent within ten (10) days after written notice thereof to Lessee by Lessor; or (b) Lessee shall fail to provide and maintain insurance as required by Section 12 hereof; or (c) Lessee shall assign or transfer its leasehold interest under this Lease or in the Equipment or any Item of Equipment, or sublet any Item of Equipment or otherwise permit any Item of Equipment to be operated or used by, or to come into or remain in the possession of, a party other than Lessee, except as expressly authorized in Section 21 hereof; or (d) Lessee shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure shall continue unremedied for a period of thirty (30) days after written notice thereof to Lessee by Lessor unless such failure is of such a nature that with due diligence and adequate resources it cannot be cured within thirty (30) days, then Lessee, provided that efforts to cure such failure have been commenced and are prosecuted diligently, shall have an additional sixty (60) days after the initial thirty (30) day period provided herein; or (e) any representation or warranty of Lessee made herein or in any certificate or document delivered pursuant hereto shall prove to have been materially incorrect when made; or (f) Lessee shall become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver; or (g) a trustee or a receiver shall be appointed for Lessee or for a substantial part of its property without its consent and shall not be dismissed for a period of sixty (60) days; or (h) bankruptcy, arrangement, reorganization or insolvency proceedings shall be instituted by or against Lessee and, if instituted against Lessee, shall not be dismissed within ninety (90) days; then, in any such event (herein referred to as an "Event of Default") Lessor may, at its option, by written notice to Lessee of its election, declare this Lease to be in default (herein referred to as "Default"), and at any time thereafter, may do any one or more of the following, all of which are hereby authorized by Lessee:

(a) terminate this Lease and, upon the written demand of Lessor, require Lessee, at Lessee's expense, to return promptly any Item of Equipment to Lessor at the location, in the condition and otherwise in accordance with all of the terms of Section 17 hereof, or at Lessor's option, enter upon the premises where any Item of Equipment is located and take immediate possession of and remove the same by summary proceedings or otherwise, all without liability to Lessee for or by reason of such entry or taking of possession, whether for the restoration of damage or property caused by such taking or otherwise, provided, Lessor shall cause reasonable care to be used;

(b) terminate this Lease and sell any Item of Equipment at public or private sale and with or without notice to Lessee or advertisement, as Lessor may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle any Item of Equipment as Lessor in its sole discretion may determine, all free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto except to the extent required by sub-part (d) of this Section in the event Lessor elects to exercise its rights under said provision in lieu of its rights under sub-part (c) of this Section;

(c) whether or not Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights under sub-parts (a) or (b) of this Section, Lessor, by written notice to Lessee specifying a payment date not earlier than fifteen (15) days from the date of such notice, may require Lessee to pay to Lessor, on the date specified in such notice, as liquidated damages for loss of a bargain and not as a penalty, any unpaid rent due up to but not including the rent payment date (or the date which would have been such rent payment date but for the termination of this Lease) next following the date specified in such notice plus an amount equal to the excess, if any, of (1) the Stipulated Loss Value of each Item of Equipment under lease immediately prior to the date specified in such notice, computed as of such rent payment date next following the date specified in such notice, over (2) the then present value of the Fair Market Rental Value of each Item of Equipment for the remainder of the lease term (together with interest on such amount at the rate of one (1) per cent per month, where permitted by law, from the date specified in such notice to the date of actual payment);

(d) in the event Lessor, pursuant to sub-part (b)

of this Section, shall have sold or otherwise disposed of any Item of Equipment, Lessor, in lieu of exercising its rights under sub-part (c) of this Section, may, if it shall so elect, require Lessee to pay Lessor, as liquidated damages for loss of a bargain and not as a penalty, any unpaid rent due up to but not including the rent payment date (or the date which would have been such rent payment date but for the termination of this Lease) next following the date of such sale or other disposition plus an amount equal to the excess, if any, of (1) the Stipulated Loss Value of each Item of Equipment computed as of such rent payment date, over (2) the net proceeds of any such sale or other final disposition or the current value of the projected net rentals from any re-leasing (discounted at the rate of nine (9) per cent), together with interest at the rate of one (1) per cent per month, where permitted by law, on the amount of such excess from the date of such sale or other disposition until the date of actual payment; and/or

(e) Lessor may exercise any other right or remedy which may be available to it under applicable law or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof or to rescind this Lease as to any Item of Equipment.

In addition, Lessee shall be liable for any and all unpaid additional rent due hereunder before, after or during the exercise of any of the foregoing remedies; and for all reasonable legal fees and other costs and expenses incurred by reason of any Default or the exercise of Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Item of Equipment in accordance with the terms of Section 17 hereof or in placing such Item of Equipment in the condition required by said Section. Except as otherwise expressly provided above, no remedy referred to in this Section is intended to be exclusive, but each shall be cumulative, and shall be in addition to any other remedy referred to above or otherwise available at law or in equity. To the extent permitted by applicable law, Lessee hereby waives any notice or other mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, or which might require Lessor to sell, lease or otherwise use the Equipment in mitigation of Lessor's damages. Lessee hereby waives any and all existing or future claims to any offset against the rent payments due hereunder, and agrees to make the rent payments regardless of any offset or claim which may be asserted by Lessee or on its behalf in connection with the lease of the Equipment.

The failure of Lessor to exercise the rights granted hereunder upon the occurrence of any Event of Default shall not constitute a waiver of any such right upon the continuation or recurrence of any such Event of Default.

21. ASSIGNMENT BY LESSOR AND LESSEE.

(a) By Lessee. Except as hereinafter expressly provided, without the prior written consent of Lessor, which shall not be unreasonably withheld, Lessee shall not assign or transfer its leasehold interest under this Lease or in the Equipment or any Item of Equipment. Subject to Section 8(a) hereof, upon prior written notice to Lessor, Lessee may (x) assign or transfer its leasehold interest under this Lease or in the Equipment or any Item of Equipment to any Affiliate (as hereinafter defined) of Lessee, and (y) sublet any Item of Equipment or otherwise permit any Item of Equipment to be operated or used by, or to come into or remain in the possession of, a party other than Lessee.

As used in this sub-part (a), Affiliate shall mean any directly or indirectly wholly-owned subsidiary of American Electric Power Company, Inc.

No assignment or sublease, whether authorized in this Section or in violation of the terms hereof, shall relieve Lessee of its obligations hereunder and Lessee shall remain primarily liable hereunder.

(b) By Lessor. Lessor may at any time assign all of its right, title and interest hereunder, or any part thereof, to any other person with or without notice to Lessee.

This Lease shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns.

22. QUIET POSSESSION. Lessor hereby represents and warrants to Lessee that Lessor has the full right and authority to enter into this Lease on the terms herein stated, and that, conditioned upon Lessee performing all of the covenants and conditions hereof, Lessee shall peaceably and quietly hold, possess and use the Equipment during the term of this Lease subject to the terms and provisions hereof.

This Lease and Lessee's right and interest herein, and in the options to renew this Lease and to purchase the Equipment as herein expressly provided shall be completely prior to each and every deed of trust or mortgage or other

security instrument and each such instrument, whether heretofore, now or hereafter in existence shall in all respects be subject and subordinate to this Lease and Lessee's right and interest herein and in such options.

23. LESSOR'S RIGHT TO PERFORM FOR LESSEE. Subject to Section 12(a) hereof, if Lessee fails to perform or comply with any of its agreements contained herein other than with regard to the payment of rent or other monetary payments arising under this Lease, Lessor shall have the right, but shall not be obligated, to give written notice to Lessee of such failure and if unremedied within fourteen (14) days after such notice, may itself effect such performance or compliance, and the amount of any out of pocket expenses and other reasonable expenses of Lessor incurred in connection with the performance of or compliance with such agreement, together with interest thereon at the rate of one hundred twenty (120) per cent of the prime rate at Chase Manhattan Bank, N.A., New York City, on the date of payment by Lessor, shall be deemed additional rent, payable by Lessee upon demand.

24. RECORDING. At the sole expense of Lessee, Lessor will cause this Lease and the Trust Agreement to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, deposit, record (and will refile, re-register, deposit and redeposit or re-record whenever required) any and all further instruments required by law or reasonably requested by Lessor for the purpose of proper protection, to its satisfaction, of the interest in the Equipment of Lessor, Trustor, and their successors and assigns, or for the purpose of carrying out the intention of this Lease and the Trust Agreement; and Lessee will promptly furnish to Lessor evidences of all such filings, registering, depositing or recording, and an opinion or opinions of counsel for Lessee with respect thereto satisfactory to Lessor's counsel.

25. AGENTS OR REPRESENTATIVES. Lessor may exercise any of its rights and perform any of its duties and responsibilities hereunder through agents, attorneys, or other authorized representatives of Lessor (which agent, attorney or representative may also be an employee, agent, attorney or representative of the Trustor) provided that Lessor

exercises due diligence in the selection of such agents, attorneys or representatives and any such agent, attorney or representative shall succeed to all of the rights, privileges, immunities, exculpation provisions and indemnities in favor of the Lessor hereunder.

26. CONCERNING LESSOR. Lessee acknowledges and agrees that American Fletcher National Bank and Trust Company is entering into this Lease solely in its capacity as trustee under the Trust Agreement and that it (or any entity acting as successor trustee under the Trust Agreement) shall not be liable or accountable under any circumstance whatsoever except to the extent of the Trust Estate (as defined in the Trust Agreement), or as otherwise expressly provided in the Trust Agreement and/or this Lease.

27. SUCCESSOR LESSOR. In the case of the appointment of any successor trustee pursuant to the terms of the Trust Agreement, such successor trustee shall, upon written notice by such successor trustee to Lessee, succeed to all the rights, powers and title and assume all of the obligations of Lessor hereunder and shall be deemed to be Lessor and the legal owner of the Equipment for all purposes hereof and the predecessor trustee shall be released from all further duties and obligations hereunder. No such appointment of any successor trustee shall require any consent or approval by Lessee or shall in any way alter the terms of this Lease or Lessee's obligations hereunder. The appointment of one successor trustee shall not exhaust the right to appoint further successor trustees pursuant to the Trust Agreement, but such right may be exercised repeatedly as long as this Lease may be in effect.

28. NET, NON-CANCELLABLE LEASE. This Lease is a net, non-cancellable lease and, except as otherwise provided herein, Lessee's obligation to pay all rent payable hereunder shall be absolute and unconditional and Lessee shall not be entitled to any abatement of rent, reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of Lessee against Lessor, Trustor, Builder or their successors and assigns, or under any document or transaction or for any other cause whatsoever; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of Lessor or Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Equipment from whatsoever cause, any liens, encumbrances or rights of others with respect to any Item of Equipment, the prohibition

of or other restriction against Lessee's use of any Item of Equipment, the interference with such use by any person or equity, the invalidity or unenforceability or lack of due authorization or similar proceeding against Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that all rent payable by Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, Lessee hereby waives any and all rights conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any Item of Equipment except in accordance with the express terms hereof. Each payment of rent made by Lessee hereunder shall be final and Lessee shall not seek to recover all or any part of such payment from Lessor for any reason whatsoever, other than as expressly set forth in Sections 10(c) and 19(d) hereof.

29. NOTICE. All notices and other communications hereunder shall be in writing, sent by certified mail, addressed to the other party at its respective address stated below the signature of such party or at such other address as such party shall from time to time designate in writing to the other party; and shall be effective from the date of receipt, except for such by Lessor, which shall be effective from the date of mailing if promptly confirmed by telephone.

30. FURTHER ASSURANCES. Lessee will promptly and duly execute and deliver to Lessor such further documents, instruments and assurances and take such further action as Lessor may from time to time reasonably request in order to carry out the intent and purpose of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder.

31. MISCELLANEOUS. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect. No term or provision of this Lease may be changed, waived,

discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver, discharge or termination is sought. The captions in this Lease are for convenience of reference only and shall not define or limit any of the terms or provisions hereof. This Lease shall in all respects be governed by, and construed in accordance with the laws of the State of Maryland, including all matters of construction, validity and performance; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

32. EXECUTION. This Lease may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

No security interest in this Lease may be created through the transfer or possession of any counterpart other than the original counterpart which shall be identified as the counterpart containing the receipt therefor executed by the Trustee on the signature page thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be duly executed as of the day and year first above written.

ATTEST:

AMERICAN FLETCHER NATIONAL BANK
AND TRUST COMPANY,
As Trustee

Authorized Officer

By: _____
Vice President

EXHIBIT
(NOT FOR EXECUTION)

LESSOR

Address: 101 Monument Circle
Indianapolis,
Indiana 46277
Attn: Corporate Trust
Department

ATTEST:

INDIANA & MICHIGAN ELECTRIC COMPANY

Assistant Secretary

By: _____

G. P. Malone
Vice President

EXHIBIT
(NOT FOR EXECUTION)

LESSEE

Address: P.O. Box 18
Bowling Green Station
New York, New York 10004
Attn: Vice President -
Finance

Receipt of this original counterpart of the foregoing Lease
is hereby acknowledged this _____ day of _____, 1975.

AMERICAN FLETCHER NATIONAL BANK
AND TRUST COMPANY,
As Trustee

EXHIBIT
(NOT FOR EXECUTION)

STATE OF _____:

ss:

COUNTY OF _____:

On this _____ day of _____, 1975, before me personally
appeared _____, to me personally
known, who, being by me duly sworn, says that he is a Vice
President of American Fletcher National Bank and Trust
Company, that the seal affixed to the foregoing instrument
is the corporate seal of said association, that said instrument
was signed and sealed on behalf of said association, by
authority of its Board of Directors, and he acknowledged
that the execution of the foregoing instrument was the free

act and deed of said association.

EXHIBIT
(NOT FOR EXECUTION)

Notary Public

My Commission Expires: _____

STATE OF _____ :
COUNTY OF _____ : SS:

On this _____ day of _____, 1975, before me personally appeared G. P. Maloney, to me personally known, who, being by me duly sworn, says that he is a Vice President of Indiana & Michigan Electric Company, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation, by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

EXHIBIT
(NOT FOR EXECUTION)

Notary Public

My Commission Expires: _____

SCHEDULE A

<u>Description</u>	<u>Quantity</u>	<u>Lessee's Road Numbers (Inclusive)</u>	<u>Unit Base Price</u>
100-Ton Triple Hopper Coal Cars in accordance with specifications set forth in the Contract (as defined in the Lease)	127	AEPX-1874 to AEPX-2000	\$28,500.00*

All cars will be delivered at Builder's
plant at Greenville, Pennsylvania.

*Subject to escalation as provided in the Purchase Order (as
defined in the Lease) and to revision pursuant to Section 6
of the Lease.

SCHEDULE B

SCHEDULE OF STIPULATED LOSS VALUES

<u>RENT PAYMENT</u> <u>DATE</u>	<u>PERCENT</u>	<u>RENT PAYMENT</u> <u>DATE</u>	<u>PERCENT</u>
Initial Term	112.525		
1	112.525	31	73.893
2	113.840	32	72.348
3	114.427	33	70.768
4	114.894	34	69.154
5	115.237	35	67.506
6	115.478	36	65.835
7	115.627	37	64.142
8	115.682	38	62.425
9	115.641	39	60.684
10	115.511	40	58.919
11	115.290	41	57.129
12	114.976	42	55.315
13	107.674	43	53.475
14	107.178	44	51.608
15	106.592	45	49.716
16	105.914	46	47.796
17	105.142	47	45.849
18	104.284	48	43.873
19	103.338	49	41.869
20	102.302	50	39.836
21	94.282	51	37.773
22	93.096	52	35.680
23	91.874	53	33.555
24	90.614	54	31.399
25	89.317	55	29.211
26	87.984	56	26.990
27	86.616	57	24.735
28	85.212	58	22.447
29	76.878	59	20.123
30	75.403	60	17.763

SCHEDULE C

SCHEDULE OF TERMINATION VALUES

<u>RENT PAYMENT</u> <u>DATE</u>	<u>PERCENT</u>	<u>RENT PAYMENT</u> <u>DATE</u>	<u>PERCENT</u>
Initial Term	110.956		
1	110.956	31	64.823
2	111.360	32	63.101
3	111.639	33	61.344
4	111.815	34	59.562
5	111.897	35	57.754
6	111.885	36	55.922
7	111.775	37	54.063
8	111.575	38	52.179
9	111.283	39	50.267
10	110.897	40	48.328
11	103.521	41	46.362
12	102.949	42	44.367
13	102.286	43	42.343
14	101.531	44	40.290
15	100.680	45	38.207
16	99.741	46	36.094
17	98.713	47	33.949
18	97.594	48	31.772
19	89.488	49	29.563
20	88.215	50	27.321
21	86.904	51	25.046
22	85.555	52	22.736
23	84.166	53	20.391
24	82.740	54	18.010
25	81.277	55	15.593
26	79.777	56	13.139
27	71.344	57	10.647
28	69.769	58	8.116
29	68.158	59	5.545
30	66.509	60	2.935

(b) The Trustor agrees to give the Loan Participant and the Trustee at least ten (10) business days' telegraphic or telephonic (promptly confirmed in writing) notice of the Third Closing Date. On the Third Closing Date, the Loan Participant will, subject to the terms and conditions of this Agreement, make its Commitment available to the Trustee at its Corporate Trust Department at 101 Monument Circle, Indianapolis, Indiana, at or before 1:00 P.M., Indianapolis time.

SECTION 3. Conditions Precedent - Second Closing Date. It is agreed that the obligation of the Interim Participant to make its loan on the Second Closing Date is subject to the fulfillment, to the reasonable satisfaction of such Participant, of the following conditions precedent prior to or on the Second Closing Date:

(a) The following documents shall have been duly authorized, executed and delivered by the respective party or parties thereto and shall have been and shall continue to be or shall be in full force and effect on each Delivery Date, on the First Closing Date, and on the Second Closing Date, and an executed counterpart of each thereof (or, in the case of the bill of sale referred to below, a photocopy thereof) shall have been delivered to the Trustee with copies to each such Participant as shall have requested the same:

(i) the Trust Agreement;

(ii) the Assignment, substantially in the form of Exhibit I attached to the Trust Agreement;

(iii) the Lease, substantially in the form of Exhibit II attached to the Trust Agreement; and

(iv) such other documents as such Participants or their counsel shall reasonably request.

(b) The Builder shall have delivered to the Trustee a bill of sale dated as of the First Closing Date with respect to each Item of Equipment.

(c) The terms and conditions of Section 4.06 of the Trust Agreement shall have been satisfied.

(d) The Trustor, the Interim Participant and the Trustee shall have received a favorable opinion, dated the Second Closing Date, from Messrs. Borden & Ball, special counsel for Lessee (which may rely, as to matters of Indiana

law and in respect of the Public Service Commission of Indiana set forth in sub-part (k) of Section 5 of the Lease, upon the opinion of Messrs. Livingston, Dildine, Haynie and Yoder, local counsel for Lessee) as to each of the matters set forth in sub-parts (a) through (k) of Section 5 of the Lease, limited, as to the enforceability of any document, by applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally.

(e) The Trustor and the Interim Participant shall have received a favorable opinion, dated the Second Closing Date, from Thomas A. Jenkins, Esq., counsel for the Trustee (which may, as to the laws of the State of Maryland, rely upon the opinion described in paragraph (f) of this Section), as to:

(i) the due organization and valid existence in good standing of the Trustee as a national banking association under the laws of the United States, and the power and authority of the Trustee to execute, deliver and carry out the terms of this Agreement, the Trust Agreement, the Lease and the Assignment and to issue, execute and deliver the Interim Equipment Trust Certificates;

(ii) the due authorization, execution and delivery by the Trustee of this Agreement, the Trust Agreement, the Lease and the Assignment, and the validity and binding effect thereof as to the Trustee in accordance with their terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally;

(iii) the due authorization, issuance, execution and delivery by the Trustee of the Interim Equipment Trust Certificates and the validity and binding effect thereof as to the Trustee in accordance with their terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally;

(iv) the Trust Agreement creating for the benefit of the holders of the Interim Equipment Trust Certificates a duly created and validly existing beneficial interest in the Trust Estate pursuant to the terms of the Trust Agreement to secure the proper payment of the indebtedness evidenced by the Interim Equipment Trust Certificates and the performance and observance by the Trustee of all the agreements, covenants and provisions therein and in the Interim Equipment Trust Certificates contained, subject to the terms and conditions thereof;

(v) there are no taxes, fees or other charges payable under the laws of the United States or the State of Indiana in connection with the execution and delivery by the Trustee of the Trust Agreement, this Agreement or of the Interim Equipment Trust Certificates;

(vi) the execution, delivery and performance by the Trustee of this Agreement, the Trust Agreement, the Lease, the Assignment and the Interim Equipment Trust Certificates not being in violation of the Articles of Association or By-Laws of the Trustee, or of any license, judgment, statute, law or governmental regulation of the United States or the State of Indiana relating to the conduct of business of banks, financial institutions or fiduciaries or, to such counsel's knowledge, any indenture, agreement or other instrument to which the Trustee is a party or by which it is bound or any judgment or order applicable to the Trustee; and

(vii) no approval, consent, order or authorization of or registration with or notice to any governmental authority relating to the conduct of business of banks, financial institutions or fiduciaries is required to be obtained by the Trustee under the laws of the United States or the State of Indiana for the carrying out by the Trustee of any of the transactions contemplated by this Finance Agreement, the Trust Agreement, the Lease and the Assignment.

(f) The Trustor, the Interim Participant and the Trustee shall have received a favorable opinion, dated the Second Closing Date, from Messrs. Ober, Grimes & Shriver, special counsel for the Trustor (which may, as to the laws of the State of Indiana, rely upon the opinion described in paragraph (e) of this Section and upon the opinion of Messrs. Livingston, Dildine, Haynie and Yoder referred to in paragraph (d) of this Section), as to:

(i) the due organization and valid existence in good standing of the Trustor as a national banking association under the laws of the United States, and the power and authority of the Trustor to enter into this Agreement and the Trust Agreement;

(ii) the due authorization, execution and delivery by the Trustor of this Agreement and the Trust Agreement, and the validity and binding effect thereof as to the Trustor in accordance with their terms, except as limited by bankruptcy, insolvency, reorganization, moratorium

or other similar laws affecting creditors' rights generally;

(iii) there are no taxes, fees or other charges payable under the laws of the United States or the State of Maryland in connection with the execution and delivery by the Trustor of the Trust Agreement or of this Agreement;

(iv) the execution, delivery and performance by the Trustor of this Agreement and the Trust Agreement not being in violation of the Articles of Association or By-Laws of the Trustor, or of any license, judgment, statute, law or governmental regulation of the United States or the State of Maryland relating to the conduct of business of banks, financial institutions or fiduciaries or, to the best of such counsel's knowledge, any indenture, agreement or other instrument to which the Trustor is a party or by which it is bound or any judgment or order applicable to the Trustor;

(v) no approval, consent, order or authorization of or registration with or notice to any governmental authority relating to the conduct of business of banks, financial institutions or fiduciaries is required to be obtained by the Trustor under the laws of the United States or the State of Maryland for the carrying out by the Trustor of any of the transactions contemplated by this Agreement and the Trust Agreement; and

(vi) in view of the filings and recordings referred to in Section 5 (h) of the Lease and Section 3(1) hereof, no filing, recording or deposit with (or giving of notice to) any local or state governmental authority of the State of Maryland is necessary in order to protect the interests of the Interim Participant or the Trustor in and to the Trust Estate.

(g) The Trustor, the Interim Participant and the Trustee shall have received a favorable opinion, dated the Second Closing Date, from Messrs. Ober, Grimes & Shriver, counsel for the Interim Participant, satisfactory in scope and substance to it, as to the non-necessity of registering the Interim Equipment Trust Certificate and the Trustor's interest in the Trust Estate under the Securities Act of 1933, as amended (the "Securities Act"), and the non-necessity of qualifying the Trust Agreement under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), in connection with the offering, sale and delivery of such Interim Equipment Trust Certificate and such Trustor's interest, based upon the representations contained in Section 5, and as to such other matters incident to the transactions contemplated hereby as such Interim Participant may reasonably request, such opinion to state that such

Interim Participant is justified in relying on the opinions furnished pursuant to subparagraphs (d), (e) and (f) of this Section.

(h) The representations and warranties of Lessee contained in the Lease, and of the Trustor contained herein, and in any certificate or other document delivered pursuant hereto or thereto shall be true and correct on and as of the Second Closing Date with the same effect as though made on and as of the Second Closing Date; at the Second Closing Date there shall be no Event of Default (or other event which after lapse of time or notice or both would become an Event of Default) and the Trustor and the Interim Participant shall have received a certificate to such effect executed by an authorized officer of Lessee and the Trustor, respectively.

(i) Uniform Commercial Code financing statements shall have been duly filed or recorded in all public offices in the State of Indiana wherein such filing or recording is necessary in order to protect the interest of the Interim Participant in and to the Trust Estate.

SECTION 4. Conditions Precedent - Third Closing Date. It is agreed that the obligation of the Loan Participant to make the loan to the Trustee on the Third Closing Date is subject to the fulfillment, to the satisfaction of such Participant, of the following conditions precedent prior to or on the Third Closing Date:

(a) The following documents shall have been duly authorized, executed and delivered by the respective party or parties thereto and shall have been and shall continue to be or shall be in full force and effect on each Delivery Date, on the First Closing Date, on the Second Closing Date and on the Third Closing Date and an executed counterpart of each thereof (or, in the case of the bill of sale referred to below, a photocopy thereof) shall have been delivered to the Trustee with copies to each such Participant as shall have requested the same:

(i) the Trust Agreement;

(ii) the Assignment, substantially in the form of Exhibit I attached to the Trust Agreement;

(iii) the Lease, substantially in the form of Exhibit II attached to the Trust Agreement;

(iv) a bill of sale with respect to each Item of Equipment;

(v) the Certificate of Cost; and

(vi) such other documents as such Participant or its special counsel shall reasonably request.

(b) Each of the other Participants shall have made the full amount of its Commitment available to the Trustee on the First Closing Date or the Second Closing Date in accordance with the terms of Section 2 hereof.

(c) All Participants and the Trustee shall have received a favorable opinion, dated the Third Closing Date, from Messrs. Borden & Ball, special counsel for Lessee (which may rely, as to matters of Indiana law and in respect of the Public Service Commission of Indiana set forth in sub-part (k) of Section 5 of the Lease, upon the opinion of Messrs. Livingston, Dildine, Haynie and Yoder, local counsel for Lessee) as to each of the matters set forth in sub-parts (a) through (k) of Section 5 of the Lease, limited, as to the enforceability of any document, by applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally.

(d) All Participants and Lessee shall have received a favorable opinion, dated the Third Closing Date, from Thomas A. Jenkins, Esq., counsel for the Trustee (which may, as to the laws of the State of Maryland, rely upon the opinion described in paragraph (e) of this Section), as to:

(i) the due organization and valid existence in good standing of the Trustee as a national banking association under the laws of the United States, and the power and authority of the Trustee to execute, deliver and carry out the terms of this Agreement, the Trust Agreement, the Lease and the Assignment and to issue, execute and deliver the Certificates;

(ii) the due authorization, execution and delivery by the Trustee of this Agreement, the Trust Agreement, the Lease and the Assignment, and the validity and binding effect thereof as to the Trustee in accordance with their terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally;;

(iii) the due authorization, issuance, execution and delivery by the Trustee of the Certificates and the validity and binding effect thereof as to the Trustee in accordance with their terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally;

(iv) the Trust Agreement creating for the benefit of the holders of the Equipment Trust Certificates a duly created and validly existing beneficial interest in the Trust Estate pursuant to the terms of the Trust Agreement to secure the proper payment of the indebtedness evidenced by the Equipment Trust Certificates and the performance and observance by the Trustee of all the agreements, covenants and provisions therein and in the Equipment Trust Certificates contained, subject to the terms and conditions thereof;

(v) there are no taxes, fees or other charges payable under the laws of the United States or the State of Indiana in connection with the execution and delivery by the Trustee of the Trust Agreement, this Agreement or of the Certificates;

(vi) the execution, delivery and performance by the Trustee of this Agreement, the Trust Agreement, the Lease, the Assignment and the Certificates not being in violation of the Articles of Association or By-Laws of the Trustee, or of any license, judgment, statute, law or governmental regulation of the United States or the State of Indiana relating to the conduct of business of banks, financial institutions or fiduciaries or, to such counsel's knowledge, any indenture, agreement or other instrument to which the Trustee is a party or by which it is bound or any judgment or order applicable to the Trustee;

(vii) no approval, consent, order or authorization of or registration with or notice to any governmental authority relating to the conduct of business of banks, financial institutions or fiduciaries is required to be obtained by the Trustee under the laws of the United States or the State of Indiana for the carrying out by the Trustee of any of the transactions contemplated by this Finance Agreement, the Trust Agreement, the Lease and the Assignment.

(e) Such Participant, Lessee and the Trustee shall have received a favorable opinion, dated the Third Closing Date, from Messrs. Ober, Grimes & Shriver, special counsel for the Trustor (which may, as to the laws of the State of Indiana, rely upon the opinion described in paragraph (d) of this Section and upon the opinion of Messrs. Livingston, Dildine, Haynie and Yoder referred to in paragraph (c) of this Section), as to:

(1) the due organization and valid existence in good standing of the Trustor as a national banking

association under the laws of the United States, and the power and authority of the Trustor to enter into this Agreement and the Trust Agreement;

(ii) the due authorization, execution and delivery by the Trustor of this Agreement and the Trust Agreement, and the validity and binding effect thereof as to the Trustor in accordance with their terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally;

(iii) there are no taxes, fees or other charges payable under the laws of the United States or the State of Maryland in connection with the execution and delivery by the Trustor of the Trust Agreement or of this Agreement;

(iv) the execution, delivery and performance by the Trustor of this Agreement and the Trust Agreement not being in violation of the Articles of Association or By-Laws of the Trustor, or of any license, judgment, statute, law or governmental regulation of the United States or the State of Maryland relating to the conduct of business of banks, financial institutions or fiduciaries or, to the best of such counsel's knowledge, any indenture, agreement or other instrument to which the Trustor is a party or by which it is bound or any judgment or order applicable to the Trustor;

(v) no approval, consent, order or authorization of or registration with or notice to any governmental authority relating to the conduct of business of banks, financial institutions or fiduciaries is required to be obtained by the Trustor under the laws of the United States or the State of Maryland for the carrying out by the Trustor of any of the transactions contemplated by this Agreement and the Trust Agreement; and

(vi) in view of the filings and recordings referred to in Section 5 (h) of the Lease and in Section 6 (i) hereof, no filing, recording or deposit with (or giving of notice to) any local or state governmental authority of the State of Maryland is necessary in order to protect the interests of the Loan Participant or the Trustor in and to the Trust Estate; and

(vii) the non-necessity of registering the Equipment Trust Certificate under the Securities Act and the non-necessity of qualifying the Trust Agreement under the Trust Indenture Act in connection with the offering, sale and delivery of such Equipment Trust Certificate, based upon the representations contained in Section 5.

(f) Such Loan Participant shall have received

a favorable opinion, dated the Third Closing Date, from Messrs. Morgan, Lewis & Bockius, special counsel for such Loan Participant, satisfactory in scope and substance to such Participant, as to the non-necessity of registering the Equipment Trust Certificate under the Securities Act and the non-necessity of qualifying the Trust Agreement under the Trust Indenture Act in connection with the offering, sale and delivery of such Equipment Trust Certificate, based upon the representations contained in Section 5, and as to such other matters incident to the transactions contemplated hereby as such Participant may reasonably request, such opinion to state that such Participant is justified in relying on the opinions furnished pursuant to subparagraphs (c), (d) and (e) of this Section.

(g) The representations and warranties of Lessee contained in the Lease and the Trustor contained herein and in any certificate or other document delivered pursuant hereto or thereto shall be true and correct on and as of the Third Closing Date with the same effect as though made on and as of the Third Closing Date, at the Third Closing Date there shall be no Event of Default (or other event which after lapse of time or notice or both would become an Event of Default) and such Participant shall have received a certificate to such effect executed by an authorized officer of Lessee and the Trustor, respectively.

(h) All corporate and other proceedings in connection with the transactions contemplated by this Agreement and all documents incident thereto shall be reasonably satisfactory in form and substance to special counsel for the Loan Participant.

(i) Uniform Commercial Code financing statements shall have been duly filed or recorded in all public offices in the State of Indiana wherein such filing or recording is necessary in order to protect the interests of the Loan Participant in and to the Trust Estate.

SECTION 5. Representations and Warranties of Participants and Trustee. (a) Each of the Participants severally represents and warrants that: (i) each Interim Equipment Trust Certificate, Equipment Trust Certificate and interest of the Trustor in the Trust Estate to be acquired by it hereunder is being acquired for its own account; and (ii) in each case each Interim Equipment Trust Certificate, Equipment Trust Certificate and interest of the Trustor in the Trust Estate is being acquired for investment and not with a view to the distribution thereof or with any present intention of sell-

ing such Certificates or interest, provided that, subject to applicable federal and state securities laws, the disposition of such Certificates or interest shall at all times be within its control.

(b) Each of the Interim Participant, the Loan Participant and the Trustor hereby severally confirms its understanding that the Interim Equipment Trust Certificate, the Equipment Trust Certificate and interest of the Trustor in the Trust Estate to be acquired by it hereunder will not be registered under the Securities Act and are "restricted securities" within the meaning of the rules and regulations of the Securities and Exchange Commission under said Act; hereby severally acknowledges that it has read Rule 144 of such rules and regulations and Securities Act Release No. 5223, dated January 11, 1972, of the Securities and Exchange Commission announcing its adoption; severally understands that the Certificates must be held until maturity unless a subsequent disposition thereof is registered under said Act or is exempt from registration and confirms that no person has made any representation to it as to the availability of any exemption from registration under said Act; severally understands that neither the Trustor, Lessee nor the Trustee is under any obligation to register the Certificates and interest of the Trustor in the Trust Estate under said Act; and severally understands that all Certificates are to contain a legend substantially as follows:

"This (Interim) Equipment Trust Certificate has not been registered under the Securities Act of 1933, as amended, and the sale, transfer or other disposition of this (Interim) Equipment Trust Certificate is subject to Section 3.07 of the Trust Agreement, dated as of _____, 1975, pursuant to which this (Interim) Equipment Trust Certificate was issued, copies of which are on file at the corporate trust department of the Trustee".

(c) The Trustor represents and warrants that:

- (i) it is a national banking association, duly organized, validly existing and in good standing under the laws of the United States and has all requisite power and authority to enter into this Agreement and the Trust Agreement and to carry out the transactions contemplated hereby and thereby;
- (ii) this Agreement and the Trust Agreement have been duly authorized by all necessary action on the part of the Trustor and have been duly executed and delivered by a duly authorized officer or agent of the Trustor and are valid and binding upon the Trustor in accordance with their terms;
- (iii) the execution, delivery and performance by the Trustor

of this Agreement and the Trust Agreement will not result in any violation of or be in conflict with or constitute a default under any of the terms of the Articles of Association or the By-Laws of the Trustor, or of any indenture, agreement or other instrument, license, judgment, order, statute, law or governmental regulation of the United States or the State of Maryland relating to the conduct of business of banks, financial institutions or fiduciaries applicable to the Trustor; (iv) no approval, consent, order or authorization of or registration with or notice to any federal, state or other governmental authority relating to the conduct of business of banks, financial institutions or fiduciaries is required in connection with the execution and delivery by the Trustor of this Agreement or the Trust Agreement or the carrying out by the Trustor of any of the transactions contemplated hereby or thereby; and (v) neither it nor anyone acting on its behalf has directly or indirectly offered any Interim Equipment Trust Certificate, Equipment Trust Certificate, interest in the Trust Estate or any similar securities, for sale to, or solicited any offer to acquire any of the same from, anyone.

(d) The Interim Participant represents and warrants that: (i) it is a corporation duly organized and validly existing in good standing under the laws of the State of Maryland and has all requisite power and authority to enter into this Agreement and to carry out the transactions contemplated hereby; (ii) this Agreement has been duly authorized by all necessary action on the part of the Interim Participant and has been duly executed and delivered by a duly authorized officer or agent of the Interim Participant and is valid and binding upon the Interim Participant in accordance with its terms; (iii) the execution, delivery and performance by the Interim Participant of this Agreement will not result in any violation of or be in conflict with or constitute a default under any of the terms of the Articles of Incorporation or the By-Laws of the Interim Participant, or of any indenture, agreement or other instrument, license, judgment, order, statute, law or governmental regulation applicable to the Interim Participant; (iv) no approval, consent, order or authorization of or registration with or notice to any federal, state or other governmental authority is required in connection with the execution and delivery by the Interim Participant of this Agreement or the carrying out by the Interim Participants of any of the transactions contemplated hereby; and (v) neither it nor anyone acting on its behalf has directly or indirectly offered any Interim Equipment Trust Certificate, Equipment Trust Certificate, interest in the Trust Es-

tate or any similar securities, for sale to, or solicited any offer to acquire any of the same from, anyone other than the Participants and not more than _____ () other financial institutions.

(e) The Trustee represents and warrants that (i) the Trustee is a national banking association duly organized and validly existing in good standing under the laws of the United States, is duly authorized to transact a trust business in the State of Indiana and has the corporate power and authority to enter into and perform its obligations under this Agreement, the Trust Agreement, the Assignment and the Lease, (ii) this Agreement, the Trust Agreement, the Assignment and the Lease have been duly authorized, executed and delivered by the Trustee, (iii) the execution, delivery and performance by the Trustee of this Agreement, the Trust Agreement, the Assignment and the Lease do not and will not contravene any law or any governmental rule, regulation or order applicable to the Trustee as a banking institution or in its capacity as a fiduciary or the Articles of Association or By-Laws of the Trustee or contravene the provisions of, or constitute a default under, or subject any Item of Equipment to any lien of, any indenture, mortgage or other agreement (other than the Agreements) to which the Trustee is a party or by which the Trustee is bound, (iv) neither the execution and delivery by the Trustee of this Agreement, the Trust Agreement, the Assignment or the Lease, nor the performance by the Trustee of any of the transactions contemplated hereby or thereby, requires the consent or approval of, the giving of notice to, the registration with, or the taking of any other action in respect of, any federal, state or other governmental authority relating to the Trustee in its capacity as a banking or financial institution or a fiduciary by the Trustee and (v) the location of the office at which the Trustee keeps or will keep its records concerning this Agreement, the Assignment and the Lease is (and the Trustee shall notify Lessee and the Participants of a change in such location) at 101 Monument Circle, Indianapolis, Indiana 46277.

SECTION 6. Consent to Other Documents. The Interim Participant and the Loan Participant ratify in all respects the execution and delivery of the Trust Agreement, the Assignment and the Lease; and hereby agree to comply with all the terms of the Trust Agreement (as the same may hereafter be amended from time to time in accordance with the terms thereof), including, without limitation, (i) the terms of Section 6.03(b) of the Trust Agreement relating to the reimbursement of the Trustor by the holders of the Certificates and (ii) the terms of Section 9.03 of the Trust Agreement re-

lating to the sale of Certificates to the Trustor. The Trustor agrees to comply with all of the terms of the Trust Agreement (as the same may hereafter be amended from time to time in accordance with the terms thereof), and agrees, without limiting the generality of the foregoing, to comply duly and promptly with Section 8.01 of the Trust Agreement so that no lien shall arise pursuant to such Section in favor of the Trustee on the Trust Estate, and further agrees, if any such lien should arise, to take all such action and make all such payments required by it to be taken and made pursuant to Section 8.01 as may be necessary to remove such lien.

SECTION 7. Liabilities of Participants. No Participant shall have any obligation or duty to Lessee or to any other Participant with respect to the transactions contemplated hereby except those obligations or duties expressly set forth in this Agreement. Without limiting the generality of the foregoing, under no circumstances whatsoever shall any Participant be liable to Lessee, or shall any Participant be liable to any other Participant, for any action or inaction on the part of the Trustee in connection with the Trust Agreement, the Lease, the Assignment, the ownership of the Equipment, the administration of the Trust Estate or otherwise, whether or not such action or inaction is caused by the willful misconduct or gross negligence of the Trustee.

SECTION 8. Expenses. The Interim Participant agrees to pay the costs and expenses (including fees and disbursements of counsel) of the Loan Participant in connection with the preparation, execution and delivery of this Agreement, the Trust Agreement, the Assignment and the Lease, and in connection with the transactions occurring on each Delivery Date, the First Closing Date, the Second Closing Date, and the Third Closing Date, as well as the initial and annual fees of the Trustee in the administration of the Trust Estate.

SECTION 9. Miscellaneous. This Agreement may be executed by the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing signed by the party against which the enforcement of the termination, amendment, supplement, waiver or modification is sought; and no such termination, amendment, supplement, waiver or modification shall be effective unless a signed copy thereof shall have been delivered to the Trustee. The terms of this

Agreement shall be binding upon, and inure to the benefit of, each Participant and its successors and assigns. This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of Maryland, including all matters of construction, validity and performance.

SECTION 10. Representations and Warranties to Survive Delivery. The liability of any of the parties hereto with respect to any representation, warranty, indemnity, and covenant contained in this Agreement, the Lease or any certificate delivered pursuant hereto or thereto shall survive any investigation or inspection made by or on behalf of the Participants or the Trustee and the sale and delivery of the Equipment to the Trustee and shall continue in full force and effect until all of the obligations of the Lessee under the Lease shall be fully performed in accordance with the terms thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

MARYLAND NATIONAL BANK

EXHIBIT

By: (NOT FOR EXECUTION)

Edward A. Dahlka, Jr.
Authorized Representative

c/o Maryland National Leasing Corporation
10 Light Street
Baltimore, Maryland 21202

MARYLAND NATIONAL LEASING CORPORATION

EXHIBIT

By: (NOT FOR EXECUTION)

Edward A. Dahlka, Jr.
Vice President

10 Light Street
Baltimore, Maryland 21202

PACIFIC MUTUAL LIFE INSURANCE COMPANY

By: _____

EXHIBIT
(NOT FOR EXECUTION)

700 Newport Center Drive
Newport Beach, California 92663

AMERICAN FLETCHER NATIONAL BANK
AND TRUST COMPANY

By: _____

EXHIBIT
(NOT FOR EXECUTION)

Vice President

101 Monument Circle
Indianapolis, Indiana 46277
Attn: Corporate Trust Department